

EVALUATION OF TRANSFER STATION OPERATIONS BAR HARBOR TRANSFER STATION

Prepared for



TOWN OF BAR HARBOR
93 Cottage Street
Bar Harbor, ME 04609



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EVALUATION OF TRANSFER STATION OPERATIONS BAR HARBOR TRANSFER STATION

1.0 INTRODUCTION

The Town of Bar Harbor (Town) has asked Sevee & Maher Engineers, Inc. (SME) to conduct a review and evaluation of the current operations at the Town's Transfer Station Facility (Facility). This report will focus on the operations at the Facility, including options for a fee-based model for funding operations, methods for reducing out-of-town waste, and options for diverting additional waste from the waste stream.

The report will include the following:

- Review of Facility Documents Provided by the Town;
- Recommendations on how to verify all waste and recyclables at the Facility originate within the Town of Bar Harbor;
- Suggestions to reduce operating costs for solid waste disposal;
- Recommendations for potential waste reduction alternatives;
- Options for keeping recycled cardboard dry and clean;
- Options for compositing food waste;
- Recommendations for potential alternative flow patterns for receiving, handling, storing and removing recyclables from the site;
- Recommendations for fee-based models for funding operation; and
- Evaluation of the implementation of scale and attendant at the site including, potential locations, and traffic pattern changes.

2.0 REVIEW OF FACILITY DOCUMENTS

To begin the evaluation, SME reviewed the information provided by the Town. This documentation included the following:

- Quantity of Waste and Recyclables Received

Waste quantity data was presented in two documents, one summarizing the quantities of Municipal Solid Waste (MSW) and Single Sort Recycling (SSR) on monthly basis to the primary disposal location, the other summarizing the loads of MSW and SSR diverted to other facilities due to issues at the primary disposal facility. The monthly data includes the quantity of both MSW and SSR in tons along with the hauling cost and facility tipping fees and a resulting cost per ton. The data for MSW was provided from 1992 to present. SSR data began in July 2018 as the Town began to divert SSR from MSW. Overall, the total waste quantities disposed has been very consistent year over year.

- Operations Manual

SME reviewed the document titled, “*Operation and Maintenance Manual for Transfer Station, Storage Site, and Recycling Facility, Bar Harbor, Maine,*” prepared by CES, Inc. and dated October 2017. The document provides guidance to personnel managing and operating the Facility.

The information provided in the manual along with a site visit to the Facility on November 22, 2024, were the primary basis for evaluating potential changes to the facility and any recommendations.

- 2022 Bar Harbor Waste Audit Summary

In July 2022, through a collaborative effort between researchers at the University of Maine, the Town of Bar Harbor, the College of the Atlantic, A Climate to Thrive, and Jackson Laboratories, a waste audit was conducted to examine the amount and composition of waste from Bar Harbor’s municipal, residential, retail, restaurant, and rental locations. The audit was only conducted on a single day and only sampled from cars and not commercial haulers. Although the audit is limited, it did provide detailed information about the make-up of the residential (non-commercial) waste stream.

- Agreements Between the Town and the Municipal Review Committee

SME reviewed various documents (Appendix A – Town Documents and Correspondence) including the Municipal Joinder Agreement between the Town and the Municipal Review Committee (MRC). The MRC has operated since 1991 with the purpose, as stated in the agreement, “...to ensure the continuing availability to its members of long-term, reliable, safe and environmentally sound methods of solid waste disposal at a stable and reasonable cost...”.

The current agreement between the Town and MRC was effective February 16, 2016, and is valid for a 15-year term. The agreement discusses the planned switch from the previous disposal facility, the Penobscot Energy Recovery Company, LF (PERC), when the PERC agreement expired in 2018 to the Fiberright, LLC based on a Waste Supply Agreement between MRC and Fiberright.

SME also reviewed subsequent correspondence regarding the suspension of operations at the Fiberright/Coastal Resource of Maine facility in May 2020 due to contractual and funding issues.

This report was not intended to be a comprehensive review of existing agreements nor was it intended to determine if the agreements are consistent with proposed changes to the Facility. SME recommends that any changes to waste disposal procedures by the Town be vetted with their legal counsel to confirm that the work does not conflict with existing agreements. The agreements and correspondence are included in Appendix A.

2.1 Research of Other Municipal Transfer Stations Operations

In an effort to understand how other municipalities and transfer stations operate their facilities, in regard to materials handling and disposal and how they have established fee structures for facility users, we interviewed multiple transfer station operators to discuss their operations. We also conducted online research to review the fee structures of similar municipal transfers station facilities, with a focus on coastal communities that have similar seasonal population and peak in waste generation.

We conducted interviews with the transfers station operators for the City of Lewiston, City of Bath, Mid-Coast Solid Waste Corp (Rockland), and DM&J Waste with facilities in Winterport and Ellsworth.

Additionally, we conducted on-line research for the following towns:

- Tremont
- Mount Desert
- Southwest Harbor
- Kennebunk
- Ogunquit
- York
- Kennebunkport
- Brewer

Links and references to useful online information can be found in Appendix B.

3.0 METHODS AND OPTIONS FOR REDUCING SOLID WASTE DISPOSAL COSTS

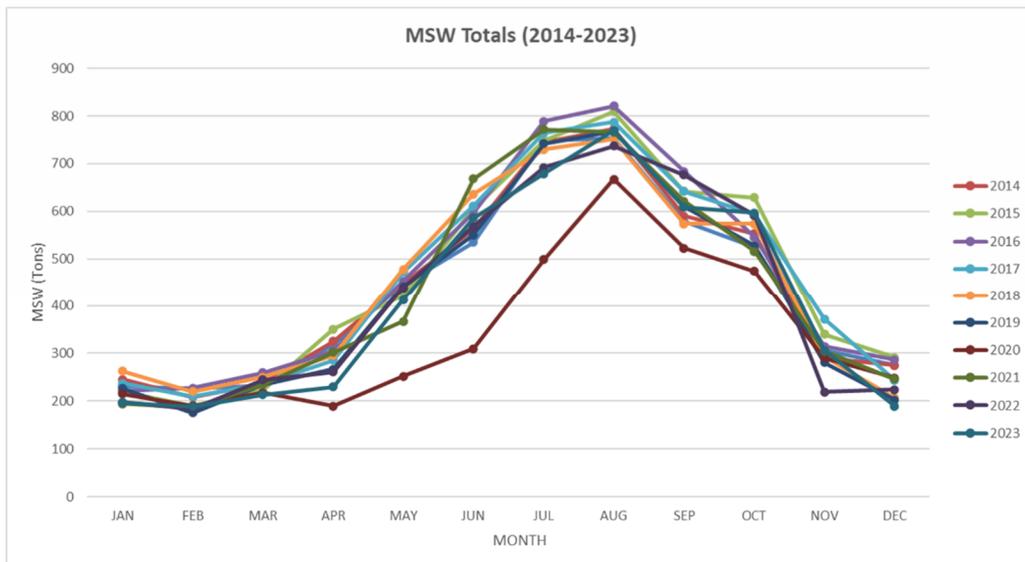
Reducing the costs of solid waste disposal involves implementing methods that minimize waste generation, improve waste management efficiency, and generate revenue to offset disposal costs.

Historically, in the solid waste management industry, programs were developed to incentivize residents to recycle, as a means to divert materials from the MSW stream and reduce disposal costs. However, over the past five to ten years, the cost of recycling has increased due to a shift in global markets and increased processing costs. As a result, the monetary cost of recycling is more than that of MSW disposal.

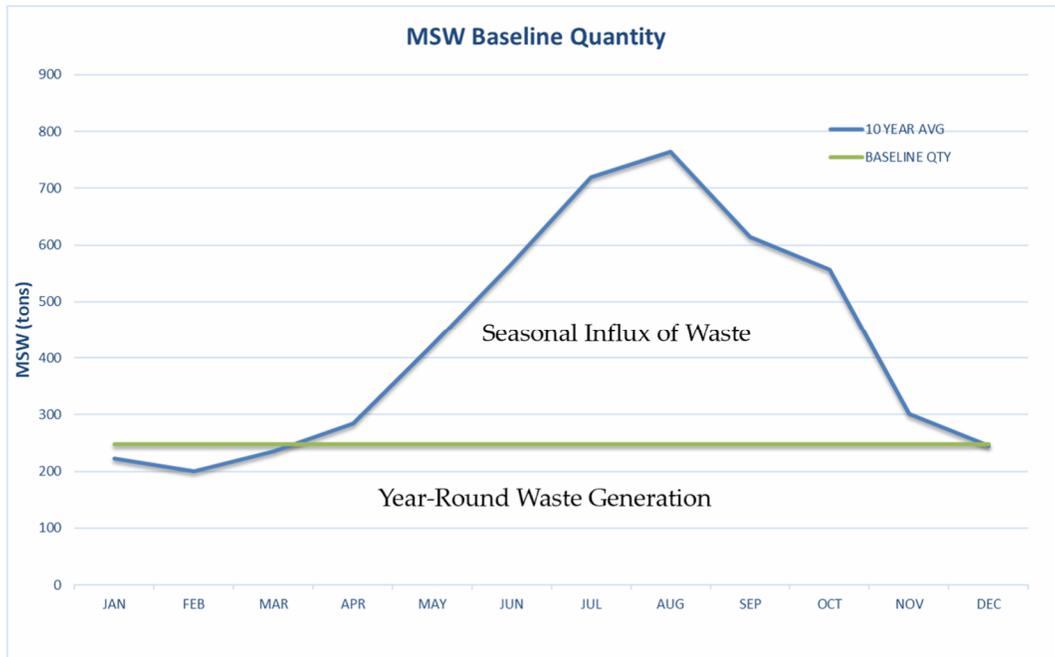
Although the cost of recycling has increased greatly, it still has the ability to provide environmental benefits and stabilize MSW disposal costs over the long-term, by diverting waste away from landfills, extending landfill life, keep tipping fees down, and limiting the need for new landfills. With that in mind, the discussions below will be focused on reducing MSW disposal volumes.

Based on existing contracts and commitments with respect to disposal locations and costs, the Town's options for re-routing waste to other facilities is limited. The primary option for reducing solid waste disposal costs is to reduce the quantity of solid waste sent for disposal and to generate revenue to offset disposal costs.

Over the last 20 years, the total annual MSW quantity has averaged 5133 tons per year, with high of 5896 in 2020 and a low of 4075 in 2020 during the COVID Pandemic.



If you look at the data on a monthly basis, you can establish an off season baseline indicating the base generation of waste from full time residents. Based on this and removing the baseline quantity you see the additional waste generated May through October of 2154 tons. This additional waste above the baseline from May to Oct makes up 40% of the total annual MSW generated in the Town.



Potential options for reducing solid waste quantities are discussed below:

3.1 Incentivize users to reduce material

The most common way to incentivize users to reduce the amount of waste generated and delivered as MSW, is to financially incentivize them to divert waste. This is typically accomplished by charging users for MSW disposed, most commonly referred to as a Pay-As-You-Throw (PAYT) program. The result is users trying to reduce the amount of MSW they dispose to reduce their cost. The key to a successful program is providing and educating users on lower or no-cost alternatives that allow users to divert waste from their MSW.

3.2 Educate users on alternative methods for disposal

At the Facility, users have the option to divert recyclables from the MSW stream through the single-sort recycling (SSR) program. Although there are benefits to recycling, at the time of this report, it does not represent a cost savings compared to MSW disposal. The primary focus for the Town will be to identify methods to divert additional materials. Materials that have some potential for diversion and represent a

cost savings include, food waste, bottles and cans, and cardboard. Each of these are discussed in more detail in Section 4.0.

3.3 Removing out-of-town waste

Under current operations, waste is brought to the site either by residents and businesses or by commercial haulers that collect waste from residents and business. However, it is difficult to confirm that these haulers are only delivering waste collected from within the Town. Any amount of out-of-town waste delivered by haulers is unnecessarily increasing the Town's disposal costs. Methods for reducing out of town waste are discussed in Section 4.0.

Waste reduction alternative methods are discussed in more detail in Section 4.0. The establishment of a fee-based structure to generate revenue is discussed in Section 5.0

4.0 RECOMMENDATIONS FOR WASTE (MSW) REDUCTION ALTERNATIVES

For the purposes of this report, we are discussing the reduction in MSW quantities. As discussed above, the most common methods to reduce MSW quantities is to re-use or recycle while also facilitating that out of town waste is not accepted at the Facility.

In general, there are two ways to reduce MSW quantities. The first, is to make recycling or waste diversion more convenient, and the second, is to make recycling and waste diversion less expensive for the user. The Town is currently providing single sort recycling which is one of the most convenient recycling options for users when compared to sorting, separating and disposing of each material (i.e., paper, cardboard, metal and plastic).

Other methods to promote MSW reductions are discussed below.

4.1 Financial Incentives to reduce the volume of waste disposed

A primary incentive to reduce waste disposal volumes is to charge a fee for disposal. A fee-based program can also promote recycling by allowing for the disposal of recyclables at no-cost. Fee-based structures can vary from simple to very complex and are discussed in more detail in Section 5.0.

4.2 Reduce Out-of-Town Waste

The ability to verify that MSW and SSR being delivered to a municipal transfer station are originating within the Town is a challenge for all Transfer Station operators. The following are common methods to help increase compliance with local policies, manage costs, and avoid unauthorized use of the Facility.

Common Methods to Reduce Out-of-Town Waste:

Residency Verification

- Proof of Address: Residents may be required to show a driver's license, utility bill, or another document proving they live in the municipality.
- Permit System: Municipalities may issue permits or stickers to residents, which must be displayed on vehicles when dropping off waste.

Vehicle Identification

- License Plate Matching: Staff may check license plates against a database of registered vehicles in the municipality.
- Local Stickers: Vehicles with municipal-issued stickers are easily identified as belonging to residents.

Usage Fees and Registration

- Pay-As-You-Throw (PAYT): Residents purchase special bags, tags, or vouchers for waste disposal, which are only available within the municipality.
- Pre-Registered Accounts: Users pre-register and log their visits, with verification against a municipal address database.

Staff Oversight

- On-Site Inspections: Transfer station staff question users about the source of their waste or spot-check vehicles.
- Material Review: Transfer station staff inspects waste for identifying labels (e.g., addresses on discarded mail) to verify the origin.

Digital or Automated Systems

- License Plate Recognition (LPR): Automated systems scan license plates and cross-reference with resident databases.
- Card-Based Access: Access cards to residents, which are required for entry.

Signage and Public Education

- Clear signage at the transfer station that outlines acceptable waste sources and the penalties for violations, discouraging non-resident use.

Enforcement Measures

- Non-residents found attempting to use the facility may be denied access or fined.
- Surveillance cameras can monitor for repeat offenders or unauthorized disposal.

Current Methods Being Utilized Verify and Ensure Waste Originates within the Town:

- Under current operations, the Facility incorporates several of the methods discussed above.

Residency Verification

- Residents/business owners are required to show a driver's license, utility bill, or another document proving they live in the Town to obtain a transfer station sticker

Vehicle Identification

- Vehicles are required to have municipal-issued stickers

Staff Oversight

- There are staff located at the MSW and SSR disposal area to monitor vehicle stickers and the material being disposed.

Signage and Public Education

- There is clear signage at the MSW and SSR disposal area detailing the sticker requirements.

Enforcement Measures

- There are surveillance cameras in use to monitor unauthorized disposal.

The current operations have procedures in place to ensure that individual users of the facility are Town residents or business owners. However, without inspecting individual loads of waste it is difficult to determine where waste originated. This becomes more difficult for loads delivered by commercial haulers who may have customers in Bar Harbor and surrounding communities.

The following recommendations may not allow the Town to fully verify where waste originates but aim to prevent the majority of unauthorized use of the facility and seeking to ensure that the Town is compensated for the waste it accepts.

4.2.1 Recommendations for Additional Methods to Verify that Waste Originates within the Town:

Usage of the Facility is currently at no-charge to residents. This includes individuals that drop-off their own waste at the Facility and commercial haulers.

Introducing a fee program to dispose of waste at the facility will provide the following benefits:

- Encourage residents to reduce/recycle to lower their own disposal volumes and costs.
- Provide a revenue stream to the Town to help fund the operations of the facility; and
- Discourage users from disposing of out-of-town waste.

Fee programs can be as simple as an annual fixed fee per household or per vehicle charge or a Pay-As-You-Throw (PAYT) program where residents pay per unit (e.g. per bag, per ton or per visit).

The following sections describe additional measures that could be used by the Town to limit waste volume, provide a revenue stream to the Town, and discourage users from disposing of out-of-town waste.

Fixed Fee Program

A fixed fee program could work very similar to the current operations, using a sticker to verify authorized users. However, users would need to pay a fee to obtain the sticker.

Pros:

- Easy to administer.
- Low cost of administration.
- No Change in operations on-site.

Cons:

- Does not encourage residents to reduce the amount of waste disposed.
- Not equitable based on amount of waste disposed.
- Does not address waste delivered by private haulers.

PAYT Programs

A PAYT for MSW could be administered in a couple different ways.

- **PAYT Bags:** Residents purchase special-colored bags for waste disposal. The bags would be sold at locations throughout Town. Only waste within the specified bags would be allowed for disposal. This program could be applied to commercial haulers as well. The Facility would only accept waste in the appropriate bags.

Pros:

- Equitable cost distribution to users as they are paying for the volume they dispose.
- Cost for disposal encourages recycling or reduction in waste volume.
- Easy to monitor resident dropping off their waste at the Facility

Cons:

- Initial start-up costs for public education and bags.
- More work to administer
- May not address waste from larger local businesses that can't bag their waste
- More difficult to monitor commercial haulers as they dump their load.
- **PAYT Tags:** This is similar to the PAYT Bag System but allows residents to use their own bags and simply attach a tag to the bag.

Pros:

- Lower cost to the Town compared to PAYT Bags.
- Allows more flexibility to residents.

Cons:

- Easier to duplicate/counterfeit than bags.

- More difficult for attendants to identify.
- May not address waste from larger businesses that can't bag their waste
- More difficult to monitor commercial haulers as they dump their loads

Tipping Fee

A tipping fee is the most straightforward system but also the most complicated from a logistics and site circulation perspective. To adopt a tipping fee program the Town would need to install at least one scale on the Site to weigh vehicles before they unload to establish the gross weight and again after disposal to establish the tare weight of the vehicle. The user is then charged for the difference in weight. Transfer Stations are often set up with two scales, one for vehicles entering and one for vehicles departing. It can be accomplished with a single scale but that poses additional traffic circulation challenges as traffic would need to be two-way over the scale.

Pros:

- Straightforward pay for what you dispose (by weight) with no bags, tags or stickers
- Would provide revenue to the Town for every piece of waste delivered
- Would allow Town to receive revenue for the recyclables
- Tipping Fee could be set to discourage out-of-town waste

Cons:

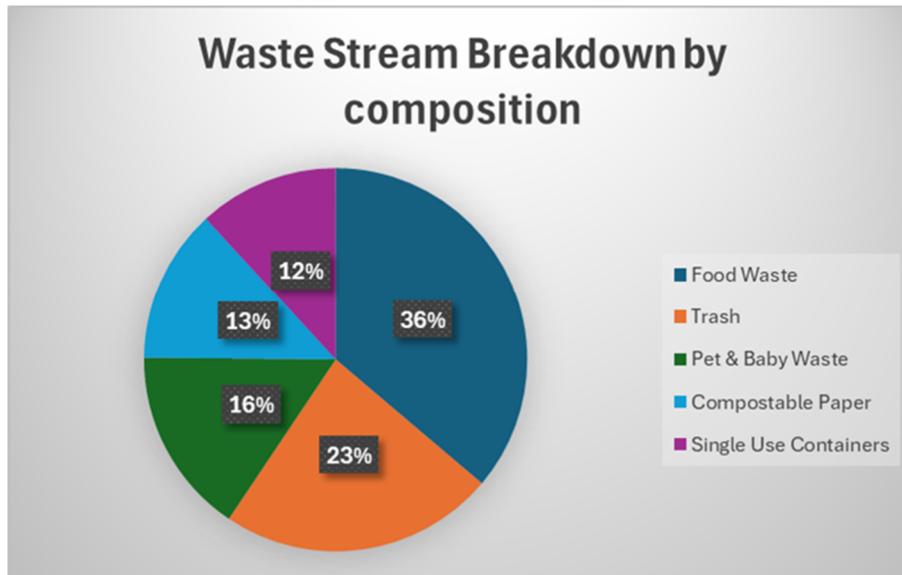
- High capital cost for the purchase and installation of a scale system
- May require additional attendants to operate scale(s)
- Would create complicate circulation patterns and excessive queuing that create congestion and delays during busy periods
- Would require a payment system on-site

4.3 Waste Diversion - Remove Material from MSW Waste Stream

Any waste that can be diverted from the MSW waste stream will reduce overall MSW disposal costs. Under current operations, the single sort recycling program allows for diverting recyclables out of the MSW stream, but this comes with a high disposal cost. The following items represent opportunities to divert materials from both the MSW and SSR waste streams.

4.3.1 Food Waste

In July 2022, a waste audit conducted by researchers at the University of Maine, the Town of Bar Harbor, the College of the Atlantic, A Climate to Thrive, and Jackson Laboratories, determined that food waste made up the largest percentage of the waste stream at 29 percent, by weight. This audit was a small sample, auditing only 754 pounds of non-commercial waste but assuming it was a close representation of the waste stream, it demonstrates that there is an opportunity to reduce waste tonnage by diverting a portion of the largest component from the waste stream. Diversion of food waste from the waste stream can have a real impact on lowering solid waste tonnage.



The most common means for diverting food waste from the waste stream is through composting, where food waste is combined with other organic wastes to create a useable compost. There is also digester equipment designed to process organic waste, such as food scraps, into usable products or neutral waste through biological, chemical, or mechanical processes. This equipment varies in size from smaller units for restaurant use to large commercial operations.

4.3.2 Composting Options

For the purpose of this report, given the amount of space and logistics required for successful composting, we did not evaluate the option of the Town starting their own composting operation. However, there are several Maine businesses that focus on composting and food waste composting. Several of these operate in a similar fashion, providing buckets or containers to the public for them to dispose of their food waste. The composting company then collects the buckets either through curbside collection or at designated drop-off areas. These companies are summarized below.

Mr. Fox Composting: <https://mrfoxcomposting.com/>

Mr. Fox Composting is located in York, ME. Mr. Fox provides both residential composting services and commercial composting services in the Seacoast Maine and New Hampshire areas. With these services, they provide an array of compost, soils, and custom blends for commercial and residential gardening needs. There is an \$18 fee for bi-weekly residential composting pick up (8-gallon bin, lined), and a \$36 fee for weekly pickup. Information is not available online regarding their commercial prices. Though Mr. Fox would not travel as far as Bar Harbor to pick up compost, they have been used as a comparison to show what the town of York uses as a means to try and divert food waste.

Garbage to Garden: <https://garbagetogarden.org/index.php>

Garbage to Garden is located in Portland, ME with a satellite location in Boston, MA. Garbage to Garden provides both residential composting services and commercial composting services in the greater Portland area as well as Somerville, Medford, and Boston MA. They accept all food waste, even meat, bones, and weeds. Garbage to Garden uses composting experts at local partner farms, who turn the compost into soil. Finished compost is available for sale typically May through November. The fee for curbside services varies based on city, but there is a minimum monthly fee required as well as purchasing their 5-gallon curbside bucket for \$8.

Agri-Cycle : <https://www.agricycleenergy.com/>

Agri-Cycle is located in South Portland, ME and provides services from Maine to Maryland. Agri-Cycle provides food-waste collection/disposal services for businesses such as schools, municipalities, hospitals, grocers, restaurants, breweries, or dairies. Agri-Cycle partners with a close-knit network of digesters throughout the Northeast to create a sustainable web of waste diversion. Though there is no specific cost information available online, they state that their fees are typically competitive, if not less expensive, than typical current MSW disposal costs. Agri-Cycle uses a variety of containers to fit different needs, but in most cases uses 64-gallon barrels. Then when it is time to collect the compost, they use a small rendering truck with tipper-bucket to empty the 64-gallon totes. The cost structure for Agri-cycle includes a series of fees including, a set service fee, a fee per tote emptied and a monthly tote rental fee. The actual cost per ton will be dependent on the quantity of food waste collected and frequency of pick-ups.

Chickadee Compost <https://www.chickadeecompost.com/>

Chickadee Compost is located in Surry, ME. Chickadee Compost is composting food scraps from the Blue Hill peninsula's households, businesses, and schools; along with crab waste from local crab pickers and spent grain from a local brewery. Finished compost is for sale in the fall and spring/summer. They currently operate swap sheds in Ellsworth, Blue Hill, Surry where users can drop off containers of food waste and swap their buckets for a clean bucket. Representatives from Chickadee were contacted regarding the potential of setting up a swap shed in Bar Harbor. They indicated that they would charge \$100/ton to operate the shed.

4.3.3 Food Digester Equipment

Digester equipment mixes waste with water and utilizes aerobic bacteria to consume the organic material, releasing carbon dioxide (CO₂), heat, and water. This process is most commonly used on a large scale but there are companies that offer food waste digester equipment suitable for restaurants and small-scale waste generators:

Power Knot, San Jose, CA

Power Knot manufactures an on-site aerobic digester that processes food waste into liquid within 24 hours, ideal for restaurants and small-scale generators.

ORCA Digesters, Toronto, Canada

ORCA provides on-site aerobic digesters that utilize natural biological processes to break down food waste, suitable for small to medium-sized food waste generators.

BioHiTech, Chestnut Ridge, NY

BioHiTech offers a compact machine designed for low-volume food waste generators, capable of processing up to 650 pounds of food waste per day.

Syker Systems, Surry, BC, Canada

Syker produces aerobic biodigesters that use oxygen and microbes to break down organic matter like food waste, resulting in gray water that can be disposed of through standard sewer systems.

Each of the system above vary based on the end products, how by-products are disposed, can power be generated etc. However, for each it is important to right-size the equipment for the waste stream. Until the Town can determine how much food waste can be diverted from the waste stream, it will be difficult to determine if this approach would be appropriate and what equipment would work best and what the cost-benefit analysis would be.

4.3.4 Cardboard

As discussed above, the recycling market and the diversion of recyclables does not currently represent a means of generating revenue, or even a cost savings compared to MSW disposal. The only material in the SSR stream that currently has market value is cardboard.

Under the current operations there are three lanes for users to deposit SSR into one of two hoppers for SSR materials. In addition, the Facility has a designated area for the drop off of large amounts of cardboard delivered by commercial users. The area was created so that these materials could be easily dropped off without causing backups as large amounts of cardboard were fed into the hopper. In the current situation, cardboard is dumped onto the ground and when available, a Facility employee will load the cardboard into the hopper. This drop off area is currently open to the weather and material can become wet, soiled

and heavy if left in the open. This impacts the marketability of the cardboard and if loaded in a wet condition may result in the Town being charged more for the heavier wet material.

With this material already being segregated from the SSR stream, one option would be to keep the material separate, store it in a manner to keep it dry and then dispose of separately to reduce disposal cost or even generate revenue. This would require very little change from existing operations.

To store and protect the cardboard material, the simplest solution, would be to construct a lean-to roof structure over the cardboard disposal area. The cardboard disposal area is closed in with reinforced concrete walls on three sides. The existing wall system should be evaluated to determine if the roof system could be integrated into the wall structure, or design as a standalone structure to cover the walls.

Other storage options include a designated roll off container that could store the cardboard and then be used to deliver cardboard to its destination. The selection of the roll-off container may include an open-end roll-container or an open-top container. The open-end container may require a more manual effort load cardboard, and an open top container will need to be evaluated to ensure it has a reliable cover system.

One other option would be storing material until there is enough material to bale it. However, the Town would need to make room in the transfer station building for a baling machine. The storage options above may also work for the finished bales.

There may be multiple options for the marketing and disposal of clean cardboard. The Ellsworth Transfer Station is a relatively local facility that will accept cardboard, however other communities utilize Maine Resource Recovery Association to market certain materials. The determination of the final destination for cardboard should consider the potential revenue generated and the additional effort or equipment required by the Town to handle and prepare cardboard for delivery to the disposal facility.

4.3.5 Returnables (Bottles and Cans)

Returnable bottles and cans may represent another option to divert material from the waste stream. Once the town adopts a fee structure to dispose of waste, users may be looking for additional options to reduce the quantity of waste they dispose. Providing a convenient and visible location for residents to drop returnable bottles and cans will facilitate their disposal. The other motivation to drive drop-off recyclables would be to allow local community programs to benefit from the revenue of the recyclables. This program could be rotated to include multiple community groups. The charity and public support element would help to drive recycling. The community group responsible could then be responsible for collecting the returnable bottles and cans to bring to redemption. The only change in operations for the facility would be to provide a suitable drop off area.

4.3.6 Glass Containers

The glass component in bottles and cans, and other glass containers in the waste stream also present an issue with transfer station operations. When introduced in to the MSW stream, glass containers present a higher level of wear and tear on compaction equipment due to the additional pressure required to break and compact. The resulting broken glass and grit then wears on key seals and equipment components. There is potential to glass to be diverted and then processed on-site using specialized glass pulverizing equipment that can be used to generate a useable sand aggregate product.

5.0 OPTIONS AND RECOMMENDATIONS FOR FEE BASED MODEL FOR FUNDING OPERATIONS

As discussed in Section 3 above, the Town's best available means of reducing solid waste disposal costs is to reduce the quantity of solid waste sent for disposal and to generate revenue to offset disposal costs. Fee-based models for funding transfer station operations generate revenue by charging users for the waste services they utilize. The option selected should balance financial sustainability, fairness, and incentivizing proper waste management. Here are the primary options:

5.1 Pay-As-You-Throw (PAYT)

PAYT is a unit-based pricing system for managing solid waste and an incentive program to encourage recycling and overall reduction in the amount of waste disposed. PAYT is a program where residents would be required to purchase special bags or tags, from the Town, for disposal of their solid waste. If waste is not delivered to the Facility in that special bag, they will not be allowed to dispose of it. To reduce their bag expenditures, residents are encouraged to recycle more. Under PAYT programs, the disposal of recyclable materials is typically free. The program is used by thousands of municipalities around the country to manage waste in a way that is fair, economically sound, and environmentally sustainable. Simply put, it is a way for consumers to control their solid waste expenses rather than blindly pay a portion of their property tax for the municipality to collect, transport and dispose of their wastes. This puts consumers in the familiar position of paying for a service by the unit just like buying gasoline by the gallon or hiring a contractor by the hour. In this case the unit is typically a trash bag that is unique to the municipality and that consumers would purchase at local retailers. The bags would be placed at the curb or collected at curbside by a local commercial hauler.

According to the Natural Resources Council of Maine, more than 138 Maine towns operate PAYT programs. These communities represent a wide variety of sizes and geographic locations. The goal of PAYT programs is to increase recycling, composting and waste diversion, save money for towns by avoiding high disposal fees, more equitably distribute solid waste management costs, and lessen the need for creating more disposal capacity in Maine.

To summarize, the intended goals of a PAYT program include:

- Increased revenue to support solid waste program, operation of the transfer station and disposal costs. Provide equitable distribution of solid waste costs rather than increasing the overall tax burden, with residents paying for their share of their own waste;
- Increase the community recycling rate; and
- Reduce the amount of MSW and associated hauling and disposal costs.

PAYT is essentially a recycling program, instituting a cost to throw something away and leaving recycling as a free service is a strong economic incentive to the average resident to recycle as much as possible. Historically, until about 2010, recycling was less expensive than MSW disposal. However, recycling became more expensive than MSW disposal in many regions around the late 2010s, largely due to a combination of global and local factors, including low commodity prices, increased processing costs of single sort recycling, change in China's policy (formerly largest importer of recyclables). Despite these cost factors there is still the environmental benefit of recycling.

The rising costs of recycling, especially in zero-sort systems, can strain municipal budgets particularly in communities capturing a high percentage of recyclables. In 2023, the SSR tonnage in the Town of Bar Harbor made up just under 12% of the total waste tonnage, while making up almost 28% of the total waste disposal cost. This should be considered in a PAYT system by adjusting pricing to account for recycling costs. This is discussed in more detail in Section 7.

In a PAYT system, users are charged based on the volume or weight of waste they dispose of. There are several variations of PAYT programs including:

- Weight-Based Fees: Charged per pound or ton of waste (discussed in 5.3 below)
- Volume-Based Fees: Charged per bag or container size
- Tag or Sticker System: Residents purchase tags or stickers to attach to their waste bags, and only tagged bags are collected
- Combination Programs

Pros:

- Promotes waste reduction and recycling
- Perceived as fair since users pay for what they generate
- Generates revenue stream to support operations

Cons:

- Requires upfront investment, though magnitude in investment may vary (e.g. public education, initial purchase of bags/tags)
- Effort to monitor and administer
- May not address waste from larger local businesses that can't bag their waste
- More difficult to monitor commercial haulers as they dispose their waste.

5.2 Flat Fee or Subscription Fee

In flat fee or subscriptions system, residents or businesses pay a fixed fee, regardless of the amount of waste they dispose of. This can be presented as a property tax fee or as a utility fee for all residents, businesses, or property owners.

Pros:

- Simple to administer and understand.
- Provides predictable revenue.

Cons:

- May be perceived as unfair, as low-waste generators subsidize high-waste users.
- Lacks incentives for waste reduction or recycling.
- Does not address commercial haulers.

5.3 Tipping Fees

When utilizing Tipping Fees charges are assessed for each vehicle or load of waste brought to the transfer station, typically based on weight. In a typical program, fees may vary for residential and commercial users.

Pros:

- Flexible and directly tied to usage.
- Can adjust for different waste streams (e.g., MSW vs Construction and Demolition Debris).
- Perceived as fair since users pay for what they generate.

Cons:

- May discourage proper disposal if fees are too high.
- Requires a scale system to measure and manage incoming waste.
- Time intensive to weigh each user two times per visit.

5.4 Access or Permit Fees

When utilizing an Access or Permit Fee system residents or businesses pay an annual or periodic fee for the right to use the transfer station. This is typically monitored through a vehicle sticker system. This can

be combined with other fee structures. e.g. additional fees for second sticker, fee for short term or seasonal sticker.

Pros:

- Provides stable revenue stream.
- Simple to administer.

Cons:

- May exclude occasional users.
- Does not directly encourage waste reduction.
- Does not address commercial haulers

5.5 Combination Models

The options above may also be combined to meet the needs and goals of the facility. For example:

- A fee-based sticker system or PAYT could be employed for residents, together with a Tipping Fee system for commercial haulers.
- A sticker system for all residents to provide a base fee to cover recycling costs and a PAYT system to generate on-going revenue.

5.6 Recommendations

Based on the Town's current operations a PAYT fee-based system would be the recommended option for promoting waste reduction and generating revenue to support the facility. However, understanding that the Facility receives waste from many local restaurants and businesses, particularly during summer months, delivered by users and by commercial haulers, this may make PAYT bags or tags a challenge. For that reason, we would recommend a hybrid system allowing for a PAYT system for residents but also a fee-based tipping fee system for commercial haulers or users with larger loads.

It is important to note that an overall tipping fee system was not proposed due to limitations in site area and site circulation. Providing a tipping fee system that would limit the quantity of vehicles that would need to pass over the scales will aid in avoiding site circulation issues.

Pricing systems for both the PAYT and Tipping fee should be high enough to be an incentive to recycle, cover the costs of the program and provide the desired revenue to support transfer station operations, yet low enough to be affordable. Additionally, the fees should be set such that the PAYT program is less expensive for residents than the tipping fee.

6.0 MEASURING SYSTEMS FOR DETERMINING QUANTITIES OF MSW

As discussed in section 5 above the recommended fee-based structures are unit based. The following is a more detailed discussion of unit-based systems, both PAYT and Tipping Fee.

6.1 Unit Based PAYT Program

An integral component of a PAYT program is the selection of the container, for residents to use for waste disposal. The three most popular vehicles used by other municipalities are:

- Prepaid tags/stickers
- Variable sized cans
- Prepaid bags

6.1.1 Prepaid Stickers or Tags

The prepaid tags/stickers concept would require the resident to purchase the tags/stickers and place them on their own bag. The Transfer Station attendant (or curbside driver for those with curbside collection) would only accept the waste if the sticker were present.

Pros:

- Low production cost.
- Can be applied to residents' existing trash bags or containers.
- Easier to store and distribute.
- Less space to store than bags

Cons:

- May be easier to counterfeit compared to special bags or containers.
- Requires residents to properly affix them, which might lead to issues with compliance.
- More difficult for attendant to observe stickers compared to bags, especially when observing commercial haulers
- Less control over the size of bag or container the sticker is used for

6.1.2 Special Cans/Barrels

The special can concept would require the Town to purchase sturdy plastic containers for each resident and offer them for rent. Different sized could be offered each at a different rate. This option was not considered further for the following reasons:

- High Up-front capital cost to the Town
- Maintenance and replacement issues with cans
- Monitoring waste from commercial haulers
- Not a true PAYT as cost is not based on how many times container is used.
- Pricing challenges with seasonality of the community

6.1.3 Prepaid Bags

The prepaid bag concept is the most popular mechanism chosen by Maine municipalities. The Town would arrange to have special bags manufactured and they would be sold at local retailers and/or Town offices. The bags would be a unique color and could be printed with a logo or other information unique to the Town so that bags would be clearly identified as “Bar Harbor bags”. This would work for curbside collection haulers as well; if the waste is not in an official Bar Harbor bag, don’t pick it up.

Pros:

- Easy for residents to use
- Simple identification for haulers and transfer station attendants.
- Provides a clear volume-based pricing model.
- Addresses out-of-town waste issue with commercial haulers

Cons:

- Higher upfront procurement costs (compared to tags).
- Storage and distribution logistics may add additional costs.
- More challenging for local businesses

6.2 Scale System

The primary mechanism for measurement and payment in many solid waste facilities is a scale system. Scale systems allow for the reliable measurement of high volumes of waste. Scale systems require that users weigh in prior to unloading to establish a gross weight and then weigh again after unloading to establish the tare weight. The difference between the gross and tare weights is what the user is charged for disposing.

Scale systems have specific siting requirements that can be a challenge. Scales must be installed on level ground, have adequate room in the traffic pattern for vehicle queuing when entering and leaving the facility.

Pros:

- **Fair and Accurate Pricing:** Weight-based fees ensure residents pay exactly for the waste they generate, promoting equity.
- **Revenue Transparency:** Accurate measurement helps municipalities track waste generation and align revenues with actual disposal costs.
- **Data Collection:** Scales provide valuable data on waste trends, which can inform waste management policies, infrastructure investments, and educational initiatives.

Cons:

- **Initial investment:** The cost of installing scale system requires significant capital cost.
- **Maintenance Requirements:** Scales need regular calibration and maintenance to ensure accuracy.
- **Potential for Bottlenecks:** Weighing each vehicle can cause delays, especially during peak usage times. This is exacerbated if the facility does not have two scales one for entering and one for departing vehicles.
- **Location and Traffic Flow:** The incorporation of scales into a facility has siting requirements including sufficient level ground to locate the scale and ample room to all vehicles to queue as they wait to access the scale.

6.3 Summary and Recommendation

A unit-based fee system provides the most equitable way to charge for solid waste disposal while encouraging waste reduction and provide a revenue stream to support transfer station operations. Based on the previous discussions we would recommend one of two alternatives. The choice of the two options will need to be made by the Town based on the capital investment required and the additional operation and maintenance costs that each option requires.

Recommended Option 1 - PAYT Bag Program for all users

A PAYT Bag program would provide revenue for the Town and would ensure that all waste accepted at the facility is generated within the Town. This program would allow for the disposal by commercial haulers conducting collection within the Town of Bar Harbor, provided that haulers are only collecting waste in “Bar Harbor Bags”.

This program may not work well for all business within the Town that generate a higher volume of waste. In this situation, these businesses can contract with a commercial hauler that will then need to haul waste to another location. This provides the unintended benefit of removing some of the commercial waste

from the Facilities waste streaming, such that the Town and its residents do not need to subsidize the disposal of commercial waste.

Recommended Option 2 - PAYT Bag Program for all residential users and Tipping Fee for Commercial Users/Haulers

Similar to Option 1, the combined system (PAYT Bag and Tipping Fee) would provide revenue for the Town. This combined approach would provide the bag program for low volume users and the tipping fee for high volume users. The tipping fee approach may not ensure that all waste is generated within the Town, but the tipping fee would be set to discourage out-of-town disposal and the Town would at least be compensated for any out-of-town waste received.

Utilizing the bag program for low volume users reduces the number of users that would need to utilize a scale system. As a result, the facility could operate with a single scale, reducing capital and maintenance costs. During the 2017 facility modifications, a scale location was included in the layout. A proposed single scale location layout is included in Figure 1 along with the proposed routing required.

Based on the location of the single scale shown in Figure 1, our opinion of cost for this concept is \$300,000 to \$400,000. The cost of constructing a scale can vary widely depending on factors several factors, such as the size and type of scale (above ground or pit type), site-specific geotechnical conditions, the complexity of scale and accounting systems selected and the adequacy of utilities in the vicinity. The cost provided does not include a scale building, as an attendant's shed was included in the 2017 modifications and exists on the site today.

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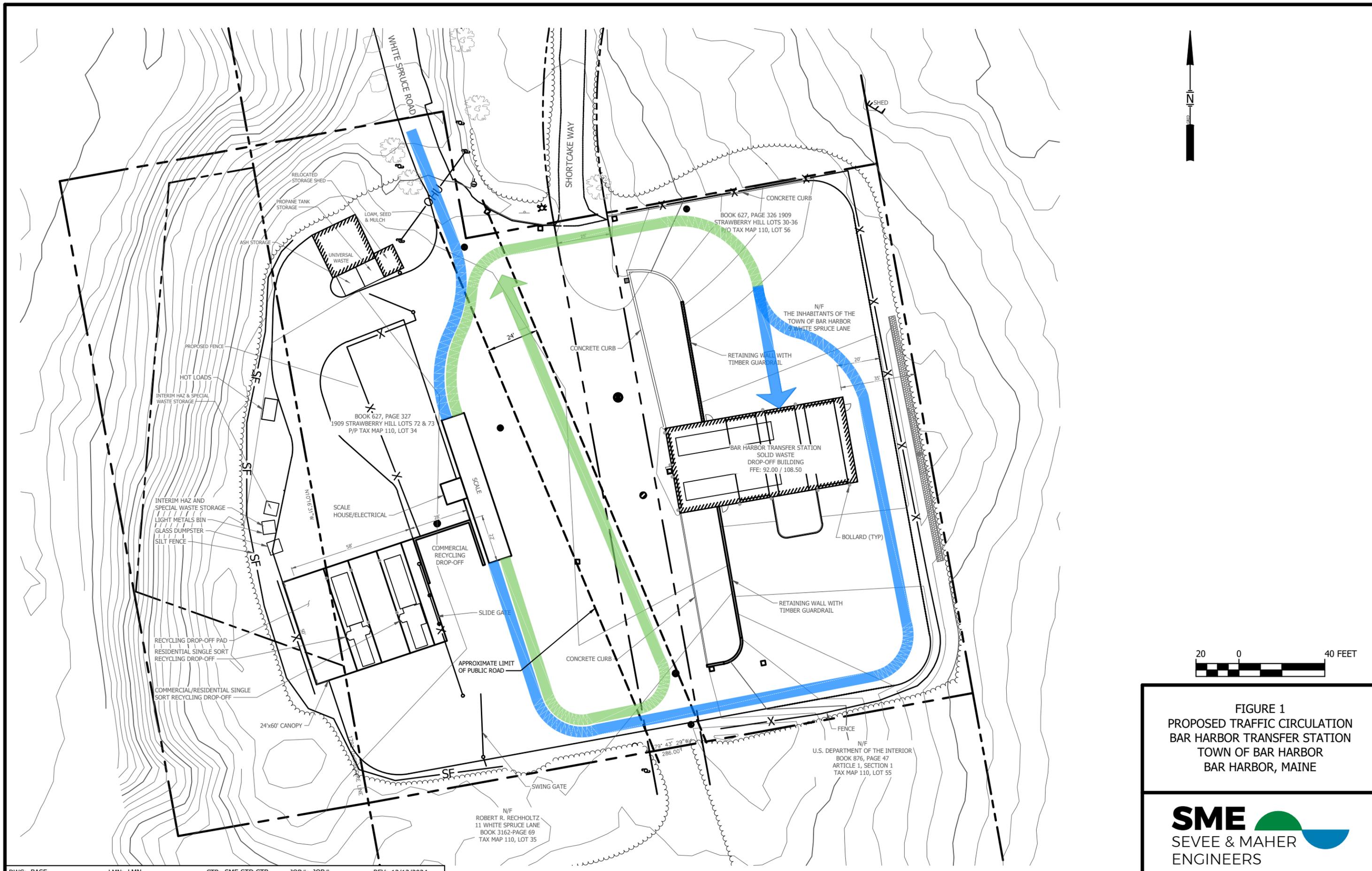


FIGURE 1
 PROPOSED TRAFFIC CIRCULATION
 BAR HARBOR TRANSFER STATION
 TOWN OF BAR HARBOR
 BAR HARBOR, MAINE



7.0 SAMPLE FEE BASED STRUCTURE BASED ON RECOMMENDATIONS

The following section assess the order of magnitude benefit a PAYT program could have for generating revenue to support facility operations. For the purposes of this analysis, we are simply looking at the current disposal costs for MSW and SSR and potential future revenue generated by bag and tipping fees to offset those costs. We recognize that there are other costs associated with the operation of the facility (e.g. labor costs, operation and maintenance costs etc.).

This analysis includes multiple scenarios to evaluate the resulting revenue from different cost structures. This was important as the disposal habits of residents may change following the establishment of a PAYT program. Residents may choose to opt for curbside collection for convenience compared to purchasing bags, or residents may choose to opt out of using a curbside collection hauler if hauler costs increase after the program is established. It is important to understand the impacts of those changes on the resulting revenue to the Town. A pricing analysis was prepared for the following scenarios:

- PAYT Bag Program (no Tipping Fee) split between 15-gallon and 30-Gallon bags
- PAYT Bag and Tipping Fee with 25% through Tipping Fees and 75% through bags
- PAYT Bag and Tipping Fee with 50% through Tipping Fees and 50% through bags

Each of the tables below present the amount of waste disposed in bags or through tipping fees, the average waste per bag, the resulting quantity of bags required and the revenue to the Town from the sale of bags or tipping fees. The revenue generated is based on an assumed fees per bag and per ton tipping fee which are typical of fees charged in PAYT program by other Maine municipalities. The final selection of bag fees and tipping fees will need to be evaluated by the Town based on their needs and goals.

The amount of waste per bag will vary. This estimate is based on published averages in the industry.

TABLE 1**100% OF MSW DISPOSED IN PAYT BAGS (SPLIT BETWEEN 15 AND 30 GALLON BAGS)**

	15 Gallon Bags	30 Gallon Bags
Lbs/Bag	16.00	25.00
MSW (Tons)	2,488.80	2,488.80
MSW (pounds)	4,977,600	4,977,600
Bags Required	311,100.00	199,104.00
Fee Per Bag	\$2.00	\$3.00
Gross Bag Revenue	\$622,200.00	\$597,312.00
Bag Costs (per bag)	-\$0.25	-\$0.40
Bag Total Costs	-\$77,775.00	-\$79,641.60
Net Revenue	\$544,425.00	\$517,670.40
Total Revenue	\$1,062,095.40	

TABLE 2**25% TIPPING FEE, 75% OF MSW DISPOSED IN PAYT BAGS (SPLIT BETWEEN 15 AND 30 GALLON BAGS)**

	15 Gallon Bags	30 Gallon Bags	Tipping Fee
Lbs/Bag	16.00	25.00	--
MSW (Tons)	1,866.60	1,866.60	1,244.40
MSW (pounds)	3,733,200	3,733,200	2,488,800
Bags Required	233,325.00	149,328.00	--
Fee Per Bag	\$2.00	\$3.00	
Fee Per Ton	--	--	\$250.00
Total Revenue	\$466,650.00	\$447,984.00	\$311,100.00
Bag Costs (per bag)	\$0.25	\$0.40	--
Bag Total Costs	\$58,331.25	\$59,731.20	--
Net Revenue	\$408,318.75	\$388,252.80	\$311,100.00
Total Revenue	\$1,107,671.55		

TABLE 3

50% TIPPING FEE, 50% OF MSW DISPOSED IN PAYT BAGS (SPLIT BETWEEN 15 AND 30 GALLON BAGS)

	15 Gallon Bags	30 Gallon Bags	Tipping Fee
Lbs/Bag	16.00	25.00	--
MSW Tonnage	1,244.40	1,244.40	2,488.80
MSW (pounds)	2,488,800	2,488,800	4,977,600
Bags Required	155,550.00	99,552.00	--
Fee Per Bag	\$2.00	\$3.00	
Fee Per Ton	--	--	\$250.00
Total Revenue	\$311,100.00	\$298,656.00	\$622,200.00
Bag Costs (per bag)	\$0.25	\$0.40	--
Bag Total Costs	\$38,887.50	\$39,820.80	--
Net Revenue	\$272,212.50	\$258,835.20	\$622,200.00
Total Revenue	\$1,153,247.70		

The analysis presented above shows that there is not a significant difference in revenue generated from a program where all waste is disposed through a PAYT bag program or a program where the waste disposed through a mix of PAYT Bag and Tipping Fees.

Based on 2023 total disposal costs for MSW and SSR, the Town paid \$735, 345 for disposal and hauling of MSW and SSR. The analysis above demonstrates that the Town could generate sufficient revenue to cover the cost of hauling and disposal based on assumed PAYT program fees, consistent with other Maine municipalities.

8.0 FINAL RECOMMENDATIONS

Based on the information presented above, we propose the following recommendations:

8.1 Introduce and implement a PAYT program for the Town.

A PAYT program represents the single biggest impact to the Town to generate revenue and offset waste disposal costs. The final make-up and pricing structure will need to be determined based on the Town's goals.

If the Town elects a hybrid system that includes PAYT Bags and a Tipping Fee, a scale system will need to be installed at the site. The capital cost and operation and maintenance cost of the scale would be considered in determination of final pricing structure.

8.2 Education on Waste Diversion Options

With the implementation of a PAYT program, the Town should provide educational materials informing resident of other means and methods of diverting materials out of the MSW waste stream. These include:

- Food Composting (including through on-site options, at home composting, or other drop off services)
- Returnable Bottles and Cans (including an on-site drop off that gives back to local charities/groups)

8.3 Establish the Facility as a Food Waste Drop Off Site

Utilizing one of the companies discussed in Section 4.3, establish the Facility as a drop off location. Final pricing of the various vendors should be evaluated. Longer term, the Town can monitor the volume of food waste collected at the facility to determine if sufficient food waste can be collected at the facility to consider food digester as a viable option.

8.4 Create a Bottle/Cans Drop Area

Provide a bottle and can drop off area with signage to promote a local charity or community organization. The selected organization would be responsible for taking bottles and cans to a redemption center and would benefit from the revenue.

8.5 Divert and Process Glass Containers

As an alternative to a bottle and can drop off in section 8.4 above, create a glass container drop of and processing area. This will require the capital investment in processing equipment and effort from transfer

station personnel to process, but will yield a recycled aggregate product that is usable by public works or marketable to residents and businesses.

8.6 Maintain Segregation of Cardboard

Maintain segregation of large cardboard deliveries and market for positive revenue or discounted disposal cost. The final destination may impact storage and handling requirements (e.g., delivery container or baling needs). At a minimum, the material will need to be stored in a clean and dry location until it is ready to be hauled off. The construction of a roof system over the existing cardboard area would provide the required shelter. It is possible that a roof system can be incorporated into the existing retaining wall system, but this will need to be evaluated.

It is important to note that the current disposal cost of SSR considers that there is some amount of cardboard included in the SSR stream. For that reason, we do not recommend attempting to divert all cardboard, as this may impact SSR disposal costs over the long term.

APPENDIX A

AGREEMENTS AND CORRESPONDENCE

Municipal Joinder Agreement

This Municipal Joinder Agreement (the "*Joinder Agreement*" or "*Agreement*") is made and executed on this 16th day of FEBRUARY, 2016 (the "*Effective Date*") by and between the Municipal Review Committee, Inc., a Maine nonprofit corporation with offices at 395 State Street, Ellsworth, Maine 04605 (the "*MRC*") and BAR HARBOR, a [municipality] [~~solid-waste disposal district~~] [~~other eligible entity~~] with offices at 93 Cottage St. BAR HARBOR ("*Joining Member*"). 04609

WHEREAS, the MRC was created and has operated since 1991 to represent its membership, consisting of Maine municipalities and public entities (the "*Charter Municipalities*"), in order to ensure the continuing availability to its members of long-term, reliable, safe and environmentally sound methods of solid waste disposal at a stable and reasonable cost; and

WHEREAS, the MRC is governed by a board of directors each of whom is elected by the membership to a three year term and all of whom represent, at large, all member communities; and

WHEREAS, the Charter Municipalities deliver municipal solid waste ("*MSW*") to the refused-derived fuel facility owned by the Penobscot Energy Recovery Company, L.P. ("*PERC*" or the "*PERC Partnership*") in Orrington, Maine, pursuant to long term waste disposal agreements (collectively, the "*Existing PERC Agreements*"); and

WHEREAS, the Existing PERC Agreements are scheduled to terminate on March 31, 2018; and

WHEREAS, the MRC has long experience reviewing operating financials of the PERC facility and has determined and recommended to the membership that it is not in the economic interest of its members to commit to a long term relationship obligating member communities to continue delivering municipal solid waste to the PERC facility beyond expiration of the current waste disposal agreements; and

WHEREAS, consistent with its mission, the MRC has investigated and developed alternative waste disposal arrangements to be available to its members on or about April 1, 2018, which arrangements would replace the Existing PERC Agreements upon their expiration; and

WHEREAS, Fiberight, LLC ("**Fiberight**" or, together with its successors or assignees, the "**Company**") has developed a technology for processing MSW into various marketable products and has expressed interest in developing a facility utilizing such technology in Maine; and

WHEREAS, the MRC and Fiberight have entered into a Development Agreement dated as of February 4, 2015, setting forth general business terms under which Fiberight proposes to develop, construct, maintain and operate a facility utilizing its technology to accept and process MSW (the "**Facility**"); and

WHEREAS, the MRC proposes to reach agreement with Charter Municipalities and other entities to supply to the Facility , in the aggregate, at least 150,000 tons of MSW per year; and

WHEREAS, the historical role of MRC has been to administer individual waste contracts on behalf of its members in order to provide an efficient and effective means of administering the Existing PERC Agreements and to maintain parity and fair treatment among and for its members; and

WHEREAS, tipping fees for municipal solid waste delivered to the proposed Fiberight Facility will be paid directly by each MRC member to Fiberight; and

WHEREAS, the MRC proposes to continue in its role administering revenue sharing among its members and providing for and managing various reserve funds while insulating each Joining Member from exposure to penalties for failure to deliver minimum quantities of municipal solid waste to the Fiberight Facility; and

WHEREAS, the MRC has acquired an option (the "**Site Option**") to purchase property in Hampden, Maine (the "Site") suitable for development of the Facility; and

WHEREAS, the MRC and Fiberight have negotiated a long-term lease of the Site (the "**Site Lease**") upon which Fiberight proposes to develop, construct, maintain and operate the Facility, such Site Lease to be executed following the anticipated exercise by the MRC of the Site Option and acquisition of the Site; and

WHEREAS, the MRC and Fiberight have executed a Master Waste Supply Agreement dated as of January 1, 2016 that, among other things, establishes a common set of terms and conditions pursuant to which interested Maine municipalities and other public and private

entities are expected to make long-term commitments for delivery of MSW to the Facility, which commitments would be memorialized through execution of Municipal Joinder Agreements in the form of this Agreement; and

WHEREAS, pursuant to 38 M.R.S. §1305(1), the Joining Member has responsibility under Maine law for ensuring availability of an option for disposal of MSW originating within its boundaries; and

WHEREAS, the Joining Member currently arranges for disposal of MSW originating within its boundaries by delivery to the PERC facility pursuant to an Existing PERC Agreement that is scheduled to terminate on March 31, 2018; and

WHEREAS, the Joining Member wishes to enter into a long term agreement for management and disposal of MSW originating within its boundaries [with service to commence as of the termination of its Existing PERC Agreement or as soon thereafter as feasible] pursuant to which it would commit to deliver MSW to the Facility on a long term basis and authorize the MRC to administer this Agreement and to otherwise represent its interests under this Agreement;

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein, and other good and valuable consideration each to the other paid, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

Capitalized terms when used herein shall have the meanings set forth below. Other capitalized terms not otherwise defined in this Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to them in the Master Waste Supply Agreement.

"Acceptable Waste" shall have the definition set forth in Exhibit A to the Master Waste Supply Agreement.

"Agreement" or "Joinder Agreement" shall mean this Municipal Joinder Agreement.

"Back-up Facility" has the meaning set forth in Section 6.2.

"Charter Municipalities" shall mean the members of the MRC currently delivering MSW to the PERC Plant pursuant to the Existing PERC Agreements.

"Debt Service Reserve Fund" shall mean the Debt Service Reserve Fund currently administered by the MRC.

"Delivery Assessment Reserve Fund" shall mean the reserve fund created by the MRC pursuant to Section 3.3 as a reserve against payment of assessments to Fiberight for failure of the MRC to meet the Delivery Commitment prescribed under the Master Waste Supply Agreement.

"Delivery Diversion Charge" shall mean reimbursement by the Joining Member pursuant to Section 3.2 as a consequence of Acceptable Waste under its control being diverted to facilities other than the Facility for reasons other than those permitted hereunder.

"Departing Municipalities" shall mean Charter Municipalities that affirmatively elect not to become Joining Members or that otherwise do not sign a Municipal Joinder Agreement by the later of (i) seven days following the date of any scheduled town meeting of such Joining Member at which approval of the Municipal Joinder Agreement is to be considered, or (ii) May 1, 2016.

"Effective Date" shall mean the effective date of this Agreement.

"Equity Charter Municipalities" shall mean those Charter Municipalities having the status of Equity Charter Municipalities under the Existing PERC Agreements. **"Estimated Delivery Amount"** shall mean the estimated quantity of Acceptable Waste to which Joining Member has agreed pursuant to Section 3.3(b).

"Event of Default" has the meaning set forth in Article 10.

"Extension Term" shall have the meaning set forth in Section 2.1.

"Force Majeure" shall mean any unforeseeable act, event or condition, not in effect as of the Effective Date, that has had, or may reasonably expected to have, a material adverse impact on the rights or the obligations of either party under this Agreement; or a material adverse effect on the Facility, the Property or the Infrastructure or on the construction, ownership, possession or operation of the Facility, the Property or the Infrastructure, provided that such act, event or condition (a) is beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement; (b) is not the result of willful or negligent action, inaction or fault of the party relying thereon; and (c) which, by the exercise of reasonable diligence, such party is unable to prevent or overcome.

Acts, events or conditions of Force Majeure shall include, without limitation; (i) acts of

God, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, high-water washouts, and extraordinary storms (but excluding reasonably foreseeable weather conditions); (ii) a strike, work slowdown or similar industrial or labor action not exclusive to the Facility (iii) acts of the public enemy, wars, blockades, insurrections, riots, arrests and restraints by governments, civil disturbances, sabotage, and acts of terrorism or similar occurrences; (iv) catastrophic events such as explosions, breakage or accident to machinery or lines of pipe caused by the foregoing; (v) condemnation or taking by eminent domain of the Property or the Facility, in whole or in part, and (vi) a Change in Law which is not the result of the negligence or willful act of the party relying thereon. Force Majeure shall not include changes in market conditions for the supplies to or products of the Facility, and shall not include changes in the cost of the supplies, materials or labor needed to construct or operate the Facility, or that reduce the profitability of the Facility, unless specifically attributable to a specific Force Majeure event that affects the non-performing party as enumerated above.

"Force Majeure Plan" shall have the meaning set forth in Section 13.3 of the Master Waste Supply Agreement.

"Indemnified Party" shall have the meaning set forth in Section 8.3.

"Indemnifying Party" shall have the meaning set forth in Section 8.3.

"Initial Term" shall have the meaning set forth in Section 2.1.

"Joining Member" means the entity identified in the preamble to this Agreement.

"Master Waste Supply Agreement" means the proposed waste supply agreement between the MRC and Fiberight on substantially the terms set forth in the form of agreement attached to this Agreement as **Exhibit A**.

"MRC Board" shall mean the Board of Directors of the MRC as it may be constituted by vote of its members from time to time.

"New Charter Municipalities" shall mean those Charter Municipalities that are not Equity Charter Municipalities.

"Non-Charter Municipalities" shall mean Joining Members who were not Charter Municipalities.

"Operating Funds" shall mean the Operating Fund and an Operating Budget Stabilization Fund currently administered by the MRC.

"Party" shall mean a party to this Agreement and "Parties" shall mean both parties to this Agreement.

"Target Value Reserve Fund" shall mean the reserve fund established pursuant to paragraph 2 of Exhibit B of this Agreement.

"Term" shall mean the term of this Joinder Agreement as provided in Article 2.

"Tip Fee Stabilization Fund" shall mean the reserve fund currently maintained by the MRC for the benefit of the Charter Municipalities which is to be administered as provided in Exhibit B.

"Unacceptable Waste" shall have the meaning set forth in Exhibit A to the Master Waste Supply Agreement.

ARTICLE 2

TERM

2.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall continue through the later of April 1, 2033, or the fifteenth (15th) anniversary of the Commercial Operation Date (the "*Initial Term*") unless terminated in accordance with the terms hereunder. Subject to the limitations in Section 2.2 below, the Joining Member shall have the right to extend the Agreement for up to five (5) consecutive periods of five (5) years each (each an "*Extension Term*," and together with the Initial Term, the "*Term*") by written notice to the MRC exercising such right to an Extension Term, which notice must be provided by the Joining Member no later than twelve (12) months prior to the expiration of the then current Term. Upon timely exercise of each right to extend, the Term shall be automatically extended, provided that there is no then existing Event of Default under this Agreement on the part of the Joining Member at either the time of the exercise of the right to extend the Term or the commencement of the applicable Extension Term.

2.2 Right to Terminate. Notwithstanding receipt of a notice from Joining Member exercising a right to an Extension Term, the MRC shall have the right at the end of the Initial Term or any applicable Extension Term, to terminate this Agreement by written notice to the Joining Member, which notice shall be given not later than nine (9) months prior to the expiration of the then current Term. Such notice of termination shall not be valid unless the MRC is simultaneously providing valid notices of termination to all Joining Members.

ARTICLE 3
DELIVERY OF WASTE

3.1 Delivery. Joining Member hereby agrees to become a Joining Member of the MRC, as defined in the Master Waste Supply Agreement. Except as otherwise provided in Section 6.2 of this Agreement, beginning on the Commercial Operation Date and continuing through the Term of this Agreement, Joining Member shall deliver, or cause to be delivered, to the Facility under the Master Waste Supply Agreement on an exclusive basis all Acceptable Waste generated within its borders the collection and disposition of which is under its control. Joining Member (a) shall comply with the conditions of delivery set forth in Exhibit E of the Master Waste Supply Agreement; and (b) shall not deliver, or cause to be delivered, Unacceptable Waste. For purposes of this Agreement, Acceptable Waste shall be deemed to be under the control of Joining Member if it is collected and delivered directly by Joining Member, its employees or agents, or by a hauler under contract and at the direction of Joining Member.

3.2 Diversion of Waste. Joining Member understands and agrees that violation of its obligation to deliver Acceptable Waste to the Facility on an exclusive basis could have a material adverse effect on the financial performance of the Facility and/or on the Joining Members. Notwithstanding the foregoing, (i) Joining Member shall not be required to institute flow control or implement other measures to the extent that, in its good faith opinion, such measures would constitute a violation of Law; and (ii) Joining Member shall have the right to establish, continue, expand or discontinue, at Joining Member's sole option, existing or future programs intended to encourage reduction, reuse or recycling of MSW generated within its borders, subject to the requirements of Section 3.4, and such activity shall not be deemed a violation of the delivery requirements imposed by this Agreement and shall not subject Joining Member to a Delivery Diversion Charge.

Joining Member agrees that, to the extent that Acceptable Waste under its control is diverted to facilities other than the Facility for reasons other than those permitted hereunder, Joining Member shall pay to the MRC, upon receipt of an invoice, a Delivery Diversion Charge to be deposited into the Delivery Assessment Reserve Fund to be established pursuant to Section 3.3(c) for the benefit of all Joining Members that are Charter Municipalities in the amount of the sum of (a) the product of the diverted tons of Acceptable Waste and the Tipping Fee that would have been paid in respect of the diverted tons had they been delivered to the Facility; plus (b) Joining Member's share of any penalty billed to MRC by the Company as a consequence of such diversion. Provided that Joining Member pays in full when due all Delivery Diversion

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MUNICIPAL JOINDER AGREEMENT
CHARTER MEMBER

Charges imposed hereunder, the diversion of Acceptable Waste forming the basis for such charges shall not be deemed to constitute a breach by Joining Member of its obligations under this Agreement.

3.3 Aggregate Delivery Requirements.

(a) The MRC and Joining Member acknowledge that, under the terms of the Master Waste Supply Agreement, the MRC has committed to cause not less than 150,000 tons of Acceptable Waste per Contract Year to be delivered to the Facility by or on behalf of all Joining Members as a group, and that, in order to support the financing of the Facility, the Master Waste Supply Agreement provides that the MRC shall in certain circumstances be liable for Delivery Sufficiency Payments in the event that the MRC minimum delivery requirement is not met. Joining Members shall not have direct responsibility for payment of any Delivery Sufficiency Payments assessed by the Company against the MRC or otherwise.

(b) Joining Member, after consultation with the MRC and consistent with such guidelines as may be established from time to time by the MRC, has agreed that it is reasonable to estimate that its annual deliveries to the Facility will be at least 5057₂ tons of Acceptable Waste per Contract Year (the "*Estimated Delivery Amount*"), which will be its estimated annual contribution to the aggregate delivery requirement of the MRC. For purposes of determining the Estimated Delivery Amount for Joining Member, recyclable materials derived from any Single Stream Recycling Program that Joining Member delivered under Section 5.2 of the Master Waste Supply Agreement shall not be included in determining whether the Delivery Commitment has been met. Joining Member agrees to the foregoing Estimated Delivery Amount and acknowledges that it is reasonable in light of current circumstances and historical MSW deliveries by the Joining Member to PERC (and/or such other waste disposal facility as may have been utilized by Joining Member), forecasted changes in MSW generation (net of anticipated waste reduction efforts), delivery patterns, diversion, and management through methods permitted by this Agreement or not under the control of Joining Member. Joining Member and the MRC shall review this commitment either (a) at the written request of either party, such request to be made no more frequently than every five years; or (b) for good cause shown, any such request to be made not less than sixty (60) days prior to the end of the then current calendar year, and the Estimated Delivery Amount of the Joining Member shall be adjusted, as appropriate, to reflect then current circumstances.

(c) The MRC intends to set aside funds in a reserve fund (the "*Delivery Assessment Reserve Fund*"). The Delivery Assessment Reserve Fund shall be managed by the MRC for the

sole purpose of providing a reserve in the event that the Delivery Commitment is not met in any year. The MRC shall have the authority to determine the amount and timing of contributions to the Fund, which shall be derived from other reserve funds, contributions from Joining Members, or such other sources as the MRC Board of Directors may determine to be available. The MRC Board of Directors shall manage investment of the Fund and authorize withdrawals from the Fund, all as it deems appropriate in accordance with the terms of this Agreement.

(d) In the event that Delivery Sufficiency Payments become due under the Master Waste Supply Agreement, they shall be paid as follows:

(i) First, to the extent that a Delivery Sufficiency Payment is attributable to the fact that one or more Joining Members has not delivered, or cause to be delivered, to the Facility all MSW under its control required to be delivered by it pursuant to the terms of this Agreement, each such Joining Member shall be assessed its ratable share of the payment, as determined by the MRC on the basis of tons of Acceptable Waste delivered (each a "***Delivery Diversion Charge***"), and the MRC shall apply the proceeds of such assessment to the payment of the Delivery Sufficiency Payment to which it relates. The MRC acknowledges that the fact that Joining Member has not achieved the Estimated Delivery Amount in and of itself will not justify imposition of a Delivery Diversion Charge.

(ii) Second, from the Delivery Assessment Reserve Fund, that portion of the remaining Delivery Sufficiency Payment allocable to Charter Municipalities as provided in **Exhibit B** to this Agreement.

(iii) Third, each Non-Charter Municipality shall pay an assessment equal to its allocable share of an amount equal to the amount paid from the Delivery Assessment Reserve Fund pursuant to subparagraph (ii) above multiplied by the percentage which aggregate deliveries by or on behalf of Non-Charter Municipalities for the time period as to which the Delivery Sufficiency Payment applied bears to all deliveries by or on behalf of Joining Members during that period.

(iv) Fourth, to the extent that the proceeds of Delivery Diversion Charges, plus amounts available in the Delivery Assessment Reserve Fund, plus amounts paid by Non-Charter Municipalities pursuant to subparagraph (iii) above are not adequate to fully fund a Delivery Sufficiency Payment, after notice to potentially affected Joining Members and an opportunity for them to be heard, each Joining Member may be assessed its ratable share of such penalty, as determined by the MRC consistent with the requirements of this Agreement, which special

assessment may, at the option of the MRC, be either collected directly from Joining Members or offset against rebates otherwise payable to Joining Members, and the MRC shall apply the proceeds of such assessments directly to the payment of the Delivery Sufficiency Payment.

(e) Upon termination of this Agreement, and after payment of reasonable expenses attendant to termination, any balance remaining in the Delivery Assessment Reserve Fund shall be returned to Joining Members as provided in **Exhibit B** to this Agreement.

3.4 Changes in Waste Delivery Patterns.

(a) Subject to subparagraph (b) below, if a Joining Member proposes to alter the scope of its responsibility for collection, transfer and transportation of MSW originating within its borders, it shall provide to the MRC not less than sixty (60) days notice of such proposed change and shall consult with the MRC with regard to such change prior to any implementation. The MRC will advise the Joining Member regarding contract compliance impacts to the Joining Member and all other Joining Members resulting from implementation of any such planned changes in the scope of its responsibility.

(b) In recognition of the importance of organic waste delivered to the Fiberight Facility, as of the Effective Date, Joining Member shall not, (i) without first providing to the MRC not less than sixty (60) days notice of such proposed change and consulting with the MRC with regard to such change prior to any implementation, and (ii) without the prior consent of the Company, initiate new programs, or significantly and materially expand existing programs, to divert organic components from MSW for management through facilities or programs other than the Facility, but may continue to operate existing programs substantially as operated as of the Effective Date. Notwithstanding the foregoing, Joining Member may institute "pay as you throw" or similar waste reduction programs at its discretion without prior approval from the MRC so long as all MSW generated within its borders and under its control continues to be delivered to the Facility.

3.5 Unacceptable Waste. Joining Member shall not deliver Unacceptable Waste to the Facility and shall use reasonable efforts to offer residents local options for disposal of household hazardous waste. Joining Member shall pay its full cost for, and shall indemnify and hold harmless the Company and the MRC and the members, directors, officers and agents or each, from and against any liability, claim or damage arising from delivery of Unacceptable Waste to the Facility by or on behalf of Joining Member. The MRC agrees that it will, upon request, provide advice and guidance consistent with the MRC's historical practice to Joining

Member in connection with any claims made against it pertaining to delivery of Unacceptable Waste to the Facility.

3.6 Compliance By Haulers. To the extent that Joining Member contracts with independent hauler or haulers to deliver MSW to the Facility, Joining Member shall be responsible for ensuring that all such haulers comply with the delivery requirements set forth in this Agreement including, but not limited to, the requirement that all MSW generated within the borders of Joining Member the collection and disposal of which is under its control be delivered to the Facility or to the Back-up Facility as contemplated by Section 6.2(d).

ARTICLE 4 TIPPING FEES AND REBATES

4.1 Tipping Fees. Joining Member agrees to pay tipping fees for Acceptable Waste and other wastes delivered and credited to its account in the amount of \$70.00 per ton, subject to annual increase equal to the amount of annual increase in the CPI, as provided in the Master Waste Supply Agreement. Joining Member specifically acknowledges that, if it fails to pay tipping fees on a timely basis, it may be precluded from delivering Acceptable Waste to the Facility or the Back-up Facility under this Agreement. The MRC shall review and accept or dispute tipping fee calculations provided by the Company and used to determine amounts due from Joining Member. Joining Member may make separate arrangements to bring materials collected through Single Stream Recycling programs to the Facility and to pay tipping fees directly to Company for such deliveries.

4.2 Invoicing. Joining Member will receive an invoice directly from the Company on a weekly basis within five (5) days of the end of each calendar week setting forth the number of tons of material delivered by or on behalf of Joining Member and accepted at the Facility during the preceding week and the tip fee due in respect of such deliveries. The amount due shall be equal to the then applicable Tipping Fee multiplied by the number of tons (rounded to the nearest twenty pounds) delivered by the Joining Member to the Facility during such calendar week. Joining Member shall pay all such invoices directly to the Company within thirty (30) days of receipt unless the calculation thereof has been challenged by the MRC.

4.3 Rebates.

(a) Joining Member hereby authorizes the MRC to manage on its behalf rebates derived from revenue sharing in the Fiberight Project and payable to the MRC as provided under

the Master Waste Supply Agreement. Without limiting the generality of the foregoing, Joining Member acknowledges that the MRC shall direct disposition of rebates received from the Company in such manner as the MRC may determine to be in the best interests of the Joining Members as a group. Without limiting the generality of the foregoing, the MRC is specifically authorized to offset against rebates otherwise payable to Joining Member (i) any Delivery Diversion Charges against Joining Member; (ii) amounts designated by the MRC to be deposited in the Delivery Assessment Reserve Fund; (iii) any special assessment determined by the MRC to be necessary to cover otherwise unfunded liability for payment of shortfall penalties; (iv) other costs attributable to failure of Joining Member to comply with this Agreement as determined by the MRC; and (v) costs occasioned by the delivery by or on behalf of Joining Member of Unacceptable Waste. The MRC shall provide to all Joining Members a quarterly report summarizing all rebate offsets applied during the preceding calendar quarter.

(b) The Company shall calculate rebates due all Joining Members on a quarterly basis as provided in the Master Waste Supply Agreement and shall forward its calculation to the MRC which shall make such calculation available to all Joining Members. The MRC shall review and accept or dispute the calculation of rebates due, and for that purpose shall review and consider in good faith any dispute of such calculation communicated to it by Joining Member, and shall inform Joining Member and the Company of its action.

(c) The Company shall pay rebates for all Joining Members directly to the MRC which shall, after reserving such funds as the MRC may deem appropriate, pay to each class of Joining Member its allocable share of remaining distributable proceeds based on actual Acceptable Waste delivered to the Facility and in the manner set forth in Exhibit F of the Master Waste Supply Agreement.

(d) Notwithstanding any other provision of this Agreement, in addition to the additional tipping fees contemplated by paragraph 6 of **Exhibit B**, unless the MRC Board of Directors determines otherwise for good cause shown, no Non-Charter Municipality or Departing Municipality that subsequently is re-admitted to membership in the MRC shall be entitled to any rebate payments during the Initial Term.

4.4 Amendment of Tipping Fee. The Tipping Fee is governed by both this Article 4 and by Section 5.1 of the Master Waste Supply Agreement. The MRC hereby acknowledges that, except in cases of Force Majeure or actions of the Joining Member or the MRC contrary to the terms of this Agreement or the Master Waste Supply Agreement, it cannot agree to amendments to the Tipping Fee that might be proposed by the Company unless Joining Member explicitly authorizes the MRC to amend the

Tipping Fee by amending this Joinder Agreement. In the event that the Company provides a formal proposal for amendment of the Tipping Fee that the MRC agrees is reasonable and necessary for the Company to continue operation of the Facility on a sustainable basis, the MRC will facilitate presentation by the Company of such proposed amendment to Joining Member for its consideration, and Joining Member agrees to consider such amendment in good faith.

ARTICLE 5
AUTHORIZATION TO ACT FOR JOINING MEMBER

5.1 Contract Management and Authorization to Act. Joining Member explicitly acknowledges that it is one of a group of municipal and quasi-municipal entities that have become Joining Members for the purpose of collectively managing disposal of MSW under the auspices of the MRC for the benefit of all Joining Members. In addition to administering the provisions of this Agreement, the Master Waste Supply Agreement and the Site Lease, the MRC shall serve as an advocate for and advisor to the Joining Members in furtherance of its mission of ensuring the continuing availability to its members of long term, reliable, safe and environmentally sound methods of solid waste disposal at stable and reasonable cost. In order to accomplish these objectives in an efficient and effective manner, it hereby authorizes the MRC to work with all Joining Members to manage the disposal of MSW pursuant to this Agreement and the Master Waste Supply Agreement. Without limiting the generality of the foregoing, and subject to the provisions of the MRC's Articles of Incorporation and Bylaws and of Maine law, in each case as in effect from time to time, Joining Member hereby authorizes the MRC to act in its behalf (a) to ensure that the Company complies with all of its obligations and covenants to or for the benefit of the Joining Members and the MRC set forth in this Agreement, the Development Agreement, the Master Waste Supply Agreement and the Site Lease; (b) to file and prosecute in its own name and/or in the name of Joining Member permit applications relating to this Agreement or the Project; (c) to prosecute or otherwise participate in administrative and court proceedings related to the Project in its own name and/or in the name of Joining Member; (d) to review and administer, accept, invest, apply and distribute tip fees, rebates and other payments to the MRC and/or Joining Members consistent with the terms of this Agreement, including but not limited to the establishment and funding of such reserve funds as the MRC may deem appropriate from time to time; ; and (e) negotiate and enter into in the name of and on behalf of Joining Member and other Joining Members contracts related to the collective transportation, management and disposition of MSW including, without limitation contracts related to the transportation and bypass of waste and the disposition of non-processibles and residuals, it being understood that the MRC will enter into any such contracts only after

appropriate notice to Joining Members affording them an opportunity to be heard with regard to such contracts.

5.2 Ratification of MRC Articles of Incorporation and Bylaws; Authorization.

By executing and delivering this Agreement, Joining Member expressly (i) consents to becoming a Joining Member; (ii) agrees to comply with the Components of Ratification specified in **Exhibit C**; and (iii) agrees to become, or continue to be, a Member of the MRC and ratifies and confirms acceptance by it of the MRC Articles of Incorporation and Bylaws, as the same may be amended from time to time. Without limiting the generality of the foregoing, Joining Member hereby authorizes the MRC to collect and distribute payments made to or by Joining Member, including dues to the MRC in such amount as may be set by the MRC Board of Directors (historically \$1.25 per ton), to allocate such payments among Joining Members, and to establish and administer reserve or other similar accounts, in each case such manner, at such times and in such amounts as the MRC may deem to be appropriate after due public review and consideration.

ARTICLE 6

TRANSPORTATION AND DISPOSITION OF BYPASS AND BRIDGE WASTE

6.1 Transportation. Joining Member and the MRC each acknowledge that it may be in the interests of all Joining Members to enter into collective arrangements for the transportation of MSW to the Facility and/or for the use of transportation fuel produced at the Facility. Joining Member and the MRC agree to cooperate and afford each other an opportunity to be heard with regard to such arrangements.

6.2 Disposition of Bridge Capacity and Bypass Waste. Joining Member acknowledges that the MRC has entered into an agreement for disposal of the following waste streams at a Back-up Facility (the Crossroads Landfill):

(a) Bridge Capacity Waste, which, in the event the Commercial Operation Date is delayed after April 1, 2018, is Acceptable Waste collected by the Joining Member from April 1, 2018, until the Commercial Operation Date (as that term is defined in the Site Lease) that cannot be accepted for processing at the Facility.

(b) Bypass Waste, which is Acceptable Waste that is collected by the Joining Member for delivery to the Facility after the Commercial Operation Date, but cannot be accepted for processing by the Facility, because either (i) the Facility has not yet achieved Commercial

Operation as of the end of the Excused Delay Period; or (ii) the Facility is out of service for maintenance or repair or as the result of a Force Majeure or otherwise.

(c) Joining Member agrees to cooperate and consult with the MRC to implement delivery of Bridge Capacity Waste and Bypass Waste to the Crossroads Landfill. Joining Member shall pay the Tipping Fee with respect to Bypass Waste as if it were Acceptable Waste delivered to the Facility. Joining Member shall pay tipping fees with respect to Bridge Capacity Waste to the Back-up Facility in accordance with the agreement for management of Bridge Capacity Waste as directed by the MRC. Joining Member shall arrange transportation to, and pay transportation costs for, delivery of Bridge Capacity Waste to the Back-up Facility. The MRC agrees to cooperate with the Joining Members and afford them an opportunity to be heard before implementing arrangements for delivery of Bridge Capacity Waste and Bypass Waste with the objective of avoiding or minimizing additional transportation costs to the Joining Members as a group.

(d) Joining Member agrees to comply with the delivery procedures and transporter rules and regulations that govern deliveries of Acceptable Waste to the Back-up Facility.

ARTICLE 7
DISPOSITION OF ASSETS
ADMINISTERED BY THE MRC

7.1 Existing Assets. If Joining Member is a current member of the MRC and a Charter Municipality currently delivering MSW to PERC pursuant to the Existing PERC Contracts, the provisions set forth in **Exhibit B** shall govern the disposition of assets of Joining Member and other Charter Municipalities, including Departing Municipalities, following expiration of the Existing PERC Contracts, as well as any additional assets held by the MRC.

7.2 Disposition of Project Site Assets. In the event of a sale of the Project Site, after payment of expenses of sale, the remaining sale proceeds shall be distributed in accordance with **Exhibit B**.

ARTICLE 8
INDEMNIFICATION

8.1 Indemnification by Joining Member. Joining Member agrees to defend,

indemnify, and hold harmless the MRC, each other Joining Member, and their respective members, directors, elected officials, officers, agents and employees against any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, to the extent resulting from any failure by Joining Member to perform fully, in any respect, its obligations under this Agreement. The foregoing indemnity expressly extends to claims of injury, death, or damage to employees of Joining Member or of a subcontractor, anyone directly or indirectly employed by Joining Member, or anyone for whose acts they may be liable. In claims against any person or entity indemnified under this Section 8.1 by an employee of Joining Member or subcontractor, the indemnification obligation under this Section 8.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Joining Member or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. Joining Member expressly waives immunity under workers' compensation laws for the purposes of this indemnity provision.

8.2 Indemnification by MRC. The MRC agrees to defend, indemnify, and hold harmless Joining Member, its elected and appointed officials, officers, agents, and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, to the extent resulting from (i) any willful or negligent act or omission by the MRC, its directors, officers, agents, employees (including duly authorized volunteers), contractors, or anyone acting on the MRC's behalf; and (ii) any failure by the MRC to perform fully, in any respect, its obligations under this Agreement. The foregoing indemnity expressly extends to claims of injury, death, or damage to employees of the MRC or of a subcontractor, anyone directly or indirectly employed by the MRC, or anyone for whose acts they may be liable. In claims against any person or entity indemnified under this Section 8.2 by an employee of the MRC or subcontractor, the indemnification obligation under this Section 8.2 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the MRC or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. The MRC expressly waives immunity under workers' compensation laws for the purposes of this indemnity provision.

8.3 Notice. A Party asserting a right to indemnification under this Article VII (the "Indemnified Party") shall give to the other Party (the "Indemnifying Party") written notice of the commencement of any legal action or other circumstance which may give rise to a claim for indemnification hereunder within ten (10) days of receipt of written notice by it of commencement of a legal action and within thirty (30) days of learning of any other circumstances giving rise to a claim for indemnification; provided, however, that failure to so notify the Indemnifying Party shall discharge it from its indemnification obligation hereunder only if and to the extent that it has been prejudiced thereby. The Indemnified Party shall afford to the Indemnifying Party access to all records and information relating to such claim, facts and circumstances (except those matters privileged or otherwise protected from disclosure under applicable state or federal law or rules of evidence) reasonably necessary to permit the Indemnifying Party to evaluate the merits of such claim or the accuracy of such facts and circumstances. Upon receipt of notice, the Indemnifying Party may elect to participate in or, if it

acknowledges its obligation to indemnify, assume defense of, such action at its own expense and with counsel of its own choosing. The Indemnified Party shall not settle or compromise any claim with respect to which indemnification is sought without the prior written consent of the Indemnifying Party which consent may not be unreasonably withheld or delayed.

Notwithstanding that the Indemnifying Party may have assumed defense of an indemnified claim, the Indemnified Party shall have the right, at its sole expense, to retain its own counsel to participate in such defense.

8.4 Opportunity to Cure. The Indemnifying Party shall be entitled, at its sole cost and expense, to undertake to cure any circumstances or to pay or settle any claim which is the subject of a claim for indemnification provided that, prior to such settlement, the Indemnifying Party either (i) acknowledges its obligation hereunder to indemnify the Indemnified Party, or (ii) obtains the written consent of the Indemnified Party to the settlement.

8.5 Resolution of Dispute as to Indemnification. Any dispute relating to indemnification may, at the election of either Party, be resolved through the dispute resolution procedure contemplated by Section 11.8 of this Agreement.

8.6 De Minimus Payment Provisions. Notwithstanding the foregoing, no payments in respect of any indemnification claim shall be required of any Indemnifying Party unless and until the total amount of the indemnification claims payable by such Indemnifying Party has exceeded Twenty-Five Thousand Dollars (\$25,000) in the aggregate, after which, however, all such indemnification claims, including those included in the de minimus calculation, shall be subject to payment as provided herein.

8.7 Limitation of Liability. Notwithstanding the provisions of this Article 8, except in the case of fraud neither Party shall be liable to the other for any incidental, indirect, or consequential damages arising out of the performance or breach of this Agreement.

8.8 No Waiver of Immunities. Nothing in this Agreement or the Master Waste Supply Agreement shall constitute a waiver or diminution by Joining Member or the MRC of any immunities or statutory limitations on liability, nor shall anything in this Agreement be construed to constitute a waiver of any defense, immunity or limitation of liability that may be available to a governmental entity, or any of its officers, officials, agents or employees pursuant to the Eleventh Amendment to the Constitution of the United States of America, the Maine Constitution, the Maine Tort Claims Act (14 M.R.S.A. §8101 *et seq.*), any state or federal statute, the common law or any privileges or immunities as may be provided by law.

8.9 Assignment. The Indemnified Party shall assign to the Indemnifying Party all claims it may have that arise in connection with claims indemnified by the Indemnifying Party.

ARTICLE 9
ASSIGNMENT

9.1 General Prohibition of Assignment. Except as otherwise specifically provided herein, neither Party may assign its rights or delegate its obligations under this Agreement, including without limitation any transfer by operation of law, in any manner whatsoever without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any attempt at any such assignment, transfer, or sale without the consent required hereby shall be void and of no effect, and shall, at the option of the other Party, terminate this Agreement.

9.2 Assignment by the MRC. Subject to member approval rights as set forth in the Bylaws of the MRC, and notwithstanding the provisions of Section 9.1, the MRC may, after providing prior notice to Joining Members and affording them an opportunity to be heard, assign its rights under this Agreement to a successor entity formed for the purpose of assuming the obligations and mission of the MRC. Any other attempt by the MRC to assign, transfer, or pledge this Agreement, whether in whole or in part, to any person without the prior written consent of the Joining Member shall be null and void.

ARTICLE 10
EVENTS OF DEFAULT; TERMINATION

10.1 MRC Event of Default. Each of the following shall constitute an Event of Default as to the MRC:

(a) The MRC shall have failed to fulfill its obligations under this Agreement, the Master Waste Supply Agreement or the Site Lease and such failure has not been cured within the longer of (a) thirty (30) days following receipt of written notice from the Joining Member specifying that a particular default exists, or (b) any otherwise applicable cure period; provided, however, that if it is not possible to cure such default within the applicable cure period, no Event of Default shall be deemed to exist so long as the MRC takes action within such period to initiate steps to effect a cure and pursues such cure with reasonable diligence.

(b) The MRC or any permitted assignee shall (a) file, or have filed against it a petition which is not dismissed within sixty (60) days, in bankruptcy, reorganization or similar proceedings under, or shall be adjudicated a bankrupt under, the bankruptcy laws of the United States, (b) have a receiver, permanent or temporary, appointed by a court of competent authority for it or on its behalf which is not dismissed within sixty (60) days, (c) request the appointment of a receiver, (d) make a general assignment for the benefit of creditors, or (e) shall have its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) days.

(c) The MRC or any permitted assignee shall dissolve or liquidate or shall have ceased operations for a period in excess of sixty (60) days.

10.2 Joining Member Event of Default. Each of the following shall constitute an Event of Default as to the Joining Member:

(a) Joining Member shall have failed to fulfill its obligations as a member under the MRC Articles of Incorporation or Bylaws or under this Agreement, the Master Waste Supply Agreement or the Site Lease and such failure has not been cured within the longer of (i) thirty (30) days following receipt of written notice from the MRC specifying that a particular default exists, or (ii) any otherwise applicable cure period; provided, however, that if it is not possible to cure such default within the applicable cure period, no Event of Default shall be deemed to exist so long as the Joining Member takes action within such period to initiate steps to effect a cure and pursues such cure with reasonable diligence.

(b) Joining Member or any permitted assignee shall (i) file, or have filed against it a petition which is not dismissed within sixty (60) days, in bankruptcy, reorganization or similar proceedings under, or shall be adjudicated a bankrupt under, the bankruptcy laws of the United States, (ii) have a receiver, permanent or temporary, appointed by a court of competent authority for it or on its behalf which is not dismissed within sixty (60) days, (iii) request the appointment of a receiver, (iv) make a general assignment for the benefit of creditors, or (v) shall have its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) days.

(c) Joining Member or any permitted assignee shall dissolve or liquidate.

(d) Joining Member fails to make any undisputed payment due hereunder within thirty (30) days after the same is due.

10.3 Expiration of Term. This Agreement shall terminate upon the expiration of the Master Waste Supply Agreement. Notwithstanding termination, Joining Member shall remain liable for any obligations, including payment obligations, arising prior to the date of termination.

10.4 Remedies. Either party may terminate this Agreement upon the occurrence and during the continuance of an Event of Default by the other party. Unless otherwise provided by Law, any right or remedy provided for herein shall not be considered as the exclusive right or remedy of the non-defaulting Party, and such right or remedy shall be considered to be in addition to any other right or remedy allowed by Law. Without limiting the generality of the foregoing, Joining Member acknowledges that the MRC and the other Joining Members are relying on its commitment to deliver Acceptable Waste originating within its borders to the Facility under the Master Waste Supply Agreement and that breach of that obligation would cause irreparable damage to the MRC and the other Joining Members for which monetary damages would not provide an adequate remedy. Accordingly, in the event of such a breach, in addition to such other remedies as may be available to the MRC at law or in equity, Joining Member expressly acknowledges that the MRC shall be entitled to specific performance of the delivery obligations of Joining Member hereunder.

10.5 Limitation on Cure Period. Notwithstanding any other provision of this Agreement, in the event that either Party shall have breached a provision hereof and shall have relied upon a cure period in order to avoid termination under the provisions of this Article 10, such party shall not, within a period of two (2) years from the date of the initial breach, be entitled to the benefit of a cure period with respect to a subsequent breach of the same provision.

ARTICLE 11 OTHER PROVISIONS

11.1 Force Majeure. In the event either Party is rendered unable, wholly or in part, by a Force Majeure to carry out any of its obligations under this Agreement, and provided that such party is using reasonable business efforts to resume performance at the earliest practicable time, then the obligations of such Party, to the extent affected by such a Force Majeure, shall be suspended during the continuance of the Force Majeure but no longer. Any time that a Party intends to rely upon a Force Majeure to excuse or suspend its obligations hereunder, such Party shall notify the other Party as soon as is reasonably practicable, describing in reasonable detail the circumstances of the Force Majeure. Notice shall again be given when the effect of the Force Majeure has ceased. Notwithstanding the foregoing, the existence of a Force Majeure shall not relieve a Party from its obligation to make payments due or payable prior to or independent of the Force Majeure.

11.2 Notification of Force Majeure or Event of Default. The MRC shall notify the Joining Member of the occurrence of any Force Majeure or Event of Default under the Master Waste Supply Agreement or the Site Lease.

11.3 Waste Deliveries During Force Majeure. In the event of a Force Majeure under the Master Waste Supply Agreement or the Site Lease that would preclude acceptance and processing of Acceptable Waste at the Facility, the Joining Member shall deliver collected Acceptable Waste to the Facility or to the Back-up Facility at the direction of the MRC for the duration of such Force Majeure, which deliveries shall be treated as Bypass Waste under Section 6.2 hereof.

11.4 Opportunity To Be Heard.

(a) In the event of a Force Majeure under the Master Waste Supply Agreement, promptly upon receipt of a Force Majeure Plan, the MRC shall inform the Joining Members and provide to them an opportunity to be heard as to whether to accept, accept a modified version of, accept subject to dispute, or not accept such Force Majeure Plan, and shall indicate the projected impact of implementing the proposed Force Majeure Plan on future Tipping Fees and Rebates. In the event of an Event of Default under the Master Waste Supply Agreement or the Site Lease, the

MRC shall inform the Joining Members of such default and of the actions proposed to be taken by the MRC in response thereto. Joining Member shall accept and abide by decisions of MRC with respect to any such default or Force Majeure.

(b) In the event that the MRC wishes to amend the Master Waste Supply Agreement or the Site Lease, it shall provide to the Joining Members notice of the proposed amendment and an opportunity to be heard and shall consider in good faith any comments received prior to any such amendment taking effect.

11.5 Change In Law. Joining Member shall notify the MRC, and the MRC shall notify Joining Member, promptly as soon as either party has knowledge of any action of the federal government, state legislature, state administrative or regulatory authority, court of applicable jurisdiction, or any other governmental body that could lead to the occurrence of a Change in Law. MRC and Joining Member shall use reasonable efforts to cooperate to avoid any such action and to mitigate its potential adverse impact on their obligations hereunder or on the Master Waste Supply Agreement, the Site Lease, or operation of the Facility or the Back-up Facility.

11.6 Relationship of Parties. Nothing in this Agreement is intended or should be construed in any manner as creating or establishing a partnership or joint venture between the Parties. Except as otherwise provided herein, neither Party shall have the authority to contractually bind the other Party. No employees or agents of one Party shall be deemed the employees or agents of the other Party for any purpose. In addition, nothing in this Agreement is intended or should be construed in any manner to empower the MRC to act other than for the sole and exclusive benefit of all of the Joining Members as a group.

11.7 Waiver. The failure of either Party to take action with respect to any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant, or condition. Any waiver by either Party of any breach of any term, covenant, or condition contained in this Agreement shall be effective only if in writing and shall not be deemed to be a waiver of any subsequent breach of the same, or of any other term, covenant, or condition contained in this Agreement. Nothing in this Agreement shall be construed to constitute a waiver of any defense, immunity or limitation of liability that may be available to a governmental entity, or any of its officers, officials, agents or employees pursuant to the Eleventh Amendment, to the Constitution of the United States of America, the Maine Constitution, the Maine Tort Claims Act (14 M.R.S.A. §8101 *et seq.*), any state or federal statute, the common law or any privileges or immunities as may be provided by law.

11.8 Dispute Resolution.

(a) Any dispute arising under this Agreement shall be resolved only in accordance with this Section 11.8.

(b) A dispute shall arise when one Party sends a written notice of dispute by certified mail to the other Party. The Parties shall first attempt to resolve the dispute through informal negotiations in which each party agrees to participate in good faith.

(c) If the Parties cannot resolve the dispute informally within fourteen (14) days of such written notice, either Party may submit the dispute to arbitration to be conducted under the commercial arbitration rules of the American Arbitration Association. Arbitration shall be initiated by the serving of a written notice of intent to arbitrate (an "*Arbitration Notice*") by one Party upon the other. Arbitration proceedings shall be conducted by a single arbitrator to be agreed upon by the Parties; provided, however, that if the Parties are unable to agree upon a single arbitrator within ten (10) days from the date of the Arbitration Notice, each Party shall select an arbitrator and the two so named shall name a third arbitrator. The arbitration proceedings shall then be heard by the arbitrator(s) and the decision of the arbitrator, or of a majority if a panel of three has been selected, shall be final and binding on the parties. The arbitrator(s) shall have no authority to add to, detract from, reform or alter in any manner any provision of this Agreement. Judgment upon the arbitration award may be entered in any court of competent jurisdiction. Any Arbitration Notice must be served within two (2) years from the date on which the claim arose, and failure to bring such claim within such two year period shall constitute a waiver of such claim and an absolute bar to further proceedings with respect to it. All arbitration proceedings shall be conducted in Bangor, Maine unless the parties otherwise agree in writing. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to preclude either party from seeking temporary or permanent injunctive relief from a court of competent jurisdiction with respect to any breach of this Agreement. For purposes of this Section 11.8, a claim shall be deemed to have arisen as of the later of (i) the date on which the circumstances forming the basis for the claim first occurred, or (ii) the date upon which such circumstances are discovered or with reasonable diligence should have been discovered.

(d) Each of the Parties will bear its own costs in connection with any dispute resolution proceeding. The Parties shall share equally the cost of any single arbitrator. If a panel of three arbitrators is appointed, each Party shall pay the costs of the arbitrator appointed by it, and the cost of the third arbitrator shall be shared equally.

11.9 Notices. All notices, demands, or other writings provided for in this Agreement shall be deemed to have been fully given or made or sent if in writing and either (i) delivered in person, (ii) sent by recognized overnight courier with acknowledgement of receipt, (iii) sent by certified mail, return receipt requested, or (iv) sent by email, provided a confirmation copy is sent promptly by overnight courier or certified mail, in each case to the following addresses:

If to the MRC: Municipal Review Committee
 395 State Street
 Ellsworth, ME 04605
 Attention: Executive Director

Email: glounder@mrcmaine.org

With a copy to: Eaton Peabody
80 Exchange Street
P.O. Box 1210
Bangor, Maine 04402
Attention: Daniel G. McKay, Esq.
Email: dmckay@eatonpeabody.com

If to Joining Member: _____

Attention: _____
Email: _____

Either party may change the address at which notices to it are to be delivered by providing notice of such change in the manner provided above.

11.10 Parties Bound. The covenants and conditions contained in this Agreement shall bind the successors and assigns of each of the Parties.

11.11 Time of the Essence. Time is of the essence in this Agreement, and in each and every covenant, term, condition, and provision of this Agreement.

11.12 References. The captions appearing under the section number designations of this Agreement are for convenience only, are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement. Unless the context clearly requires otherwise, references to section numbers and exhibits shall be deemed references to the section numbers and exhibits to this Agreement.

11.13 Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Maine without regard for conflict of law provisions.

11.14 Entire Agreement. This Agreement shall constitute the entire agreement between the parties with respect to its subject matter. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.

11.15 Modification of Agreement. Any modification of this Agreement shall be binding only if such modification is documented in writing and signed by each Party or an

authorized representative of each Party.

11.16 Additional Documents. The Parties agree to execute whatever reasonable papers and documents may be necessary to effectuate the terms and intent of this Agreement.

11.17 No Special or Consequential Damages. Notwithstanding any other provision of this Agreement, in no event shall either Party be liable under this Agreement for any special or consequential damages whatsoever.

11.18 Severability. The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

11.19 Third Party Beneficiary. Company shall be a third party beneficiary of the obligations of Joining Member hereunder and may enforce such obligations directly. Otherwise, this Agreement is intended for the sole benefit of the Parties, and no other party shall be regarded as a third party beneficiary of the obligations of the Parties hereunder.

11.20 Partial Contract Year. In the event of a partial Contract Year, all amounts and allocations shall be adjusted appropriately based on the ratio which the number of days in such partial Contract Year bears to the number of days in a full 365 day calendar year.

11.21 Counterparts. This Agreement may be executed in counterparts. A signature transmitted by facsimile, email or other electronic means shall have the effect of an original.

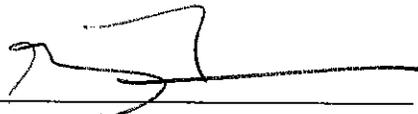
[Signature page follows.]

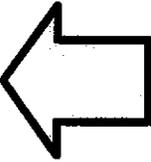
IN WITNESS WHEREOF, each Party has caused this Agreement to be executed as a sealed instrument as of the date first above written.

MUNICIPAL REVIEW COMMITTEE

By: 
Name: Chip Reeves
Title: Board President

JOINING MEMBER

By: 
Name: GACY FARHAM
Title: CHAIRMAN BOD



List of Exhibits

- A Form of Master Waste Supply Agreement**
- B Disposition of Municipal Assets**
- C Components of Ratification**

Exhibit A
to Municipal Joinder Agreement

MASTER WASTE SUPPLY AGREEMENT

[Exhibit attached to original]

**Exhibit B
to Municipal Joinder Agreement**

**Management and Disposition of
Existing Municipal Assets and Project Assets**

1. **Applicability.** This Exhibit B sets forth how the MRC shall manage the disposition of assets held in the name of the Equity Charter Municipalities upon the expiration of the Existing PERC Contracts and the disposition of certain payments to be made by Non-Charter Municipalities. The following assets, none of which are owned by the MRC, are addressed herein:
 - **The Custody Account and Tip Fee Stabilization Fund.** Pursuant to the Existing PERC Contracts, the MRC manages two reserve accounts held in the names of the Equity Charter Municipalities -- the Custody Account and the Tip Fee Stabilization Fund -- with a combined balance on the order of \$26.6 million as of the end of 2015 and projected to be in the range of \$25.0 million to \$28 million by March 2018. The Custody Account, established in 1999, has been used as a working capital account to accept payments from the PERC Partnership and proceeds of sales of Bangor Hydro warrants, and to pay cash distributions to the Charter Municipalities in order to achieve the target values. The Tip Fee Stabilization Fund, established in 2002, has been used for investment of funds in excess of what is needed for cash distributions to the Charter Municipalities. The main sources of funds for these accounts through 2015 have been Performance Credits (\$58.098 million), proceeds of sales of warrants in Bangor Hydro stock (\$19.920 million), Net Cash Flow distributed by the PERC Partnership (\$13.235 million) and earnings on the fund balance (\$6.102 million). Uses have included distributions to the Charter Municipalities (\$60.555 million) and purchases of partnership shares in PERC on behalf of Charter Municipalities (\$10.032 million). Note that all of the Net Cash Flow (resulting from ownership of PERC partnership shares) and proceeds of sales of warrants in Bangor Hydro stock received to date have been distributed to the Equity Charter Municipalities, and that the remaining balances in these accounts are comprised of undistributed Performance Credits and earnings on the fund balance.
 - **The Operating Account and the Operating Budget Stabilization Fund.** Pursuant to the Existing PERC Contracts, the MRC manages two operating accounts held in the names of the Equity Charter Municipalities -- the Operating Fund and the Operating Budget Stabilization Fund -- with a combined balance of less than \$1.0 million. The

Operating Account, which is funded by dues, has been used to fund MRC administration costs since the MRC was created in 1991. The Operating Budget Stabilization Fund, established in 2004, has been used to provide funds to the Operating Account in order to avoid dues increases while covering the costs of developing an arrangement to manage MSW from Charter Municipalities after termination of the Existing PERC Contracts. The sources of funds for the Operating Budget Stabilization Fund have been releases of reserve funds associated with the financing of PERC, as well as a one-time “windfall” payment made by the PERC Partnership to the Equity Charter Municipalities in 2004.

- **The Debt Service Reserve Fund.** The Debt Service Reserve Fund is a reserve account in the amount of approximately \$1,333,333 which is pledged in support for existing PERC Partnership senior financing and which is held for the term of the financing by the lender for distribution to the MRC for the benefit of the Equity Charter Municipalities. If not called upon to pay debt service, this fund is scheduled to be released to the MRC in early 2018.
- **Limited partnership shares in the PERC Partnership.** The Equity Charter Municipalities own a total of 25.5214 percent of the limited partnership shares in the PERC Partnership, which are managed on their behalf by the MRC. Note that the PERC Partnership is scheduled to be dissolved by the end of 2018.

2. **The Custody Account and the Tip Fee Stabilization Fund.**

Upon expiration of the Existing PERC Contracts, the MRC shall manage and dispose of the funds in the Custody Account and the Tip Fee Stabilization Fund as follows:

(a) Fund up to \$5.0 million for actual expenditures pursuant to the Site Lease, the Master Waste Supply Agreement and this Agreement for acquisition of the Site and development of related infrastructure (the Site Capital Costs);

(b) Pay Equity Charter Municipalities that are Departing Municipalities their allocable share of the Custody Account and the Tip Fee Stabilization Fund as of the date of termination of the Existing PERC Contracts, as determined by cumulative application of the Transaction Guidelines and other policies that have been used to make such allocations since 1998; provided that (i) the balance that is the basis for the allocation calculation shall be increased by up to \$5.0 million to account for actual expenditures for the Site Capital Costs; and (ii) the amount allocated to each Equity Charter Municipality shall assume that all Site Capital Costs are allocated to Joining Charter Municipalities and no Site Capital Costs are allocated to Departing Municipalities; and (iii) the allocation shall account for the costs of administering such payment, including reserves

held for the pro rata share of the Departing Municipalities against total liabilities and costs associated with the dissolution of the PERC Partnership and the closure of the PERC facility. Payment shall be made timely after the termination of the Existing PERC Agreements, subject to such reserves as the Board of Directors may establish on a basis comparable to amounts being reserved from the allocable accounts of the Joining Members, to those Departing Municipalities that have executed a Termination Agreement in such form as may be approved by the MRC, and shall make subsequent and final payments promptly after confirming the extent to which reserve funds continue to be needed.

(c) Use the funds allocable to the Equity Charter Municipalities that are Joining Members to provide initial funding to establish reserve funds in support of the Site Lease, Master Waste Supply Agreement and this Agreement as follows:

- Up to \$7.0 million as a reserve against purchase of the building in the event of termination (the Building Reserve), which amount may be reduced once per year in accordance with Exhibit C to the Site Lease. Amounts released from the fund each year shall be distributed to the Equity Charter Municipalities in accordance with the amount of their original contributions (e.g., their fund balances as brought forward on April 1, 2018). The value of the building, if purchased, shall also be allocated among the Equity Charter Municipalities that are Joining Members pro rata with the amount of their original contributions.
- An initial amount of \$3.0 million for the Delivery Sufficiency Reserve Fund, which shall be used, as needed, to make Delivery Sufficiency Payments for the benefit of all Charter Municipalities that are Joining Members. Funds not used at the end of the term of the Joinder Agreement shall be allocated among the Equity Charter Municipalities that are Joining Members pro rata with the amount of their original contributions.
- \$1.167 million held by the Equity Charter Municipalities that are Joining Members as a reserve against liabilities and costs associated with the dissolution of the PERC Partnership and the closure of the PERC facility (the Closure Reserve Fund). The MRC shall revisit the need to maintain the Closure Reserve Fund before the end of calendar year 2018. When released, amounts in the Closure Reserve Fund shall be allocated among the Equity Charter Municipalities that are Joining Members pro rata with the amount of their original contributions.

- Up to \$1.0 million to offset costs of transportation of Bridge Waste per the direction of the MRC, with amounts remaining in the fund to be transferred to the Target Value Fund as defined below.
- All remaining amounts shall be deposited into a fund (the "Target Value Reserve Fund") for distribution to the Charter Municipalities that become Joining Members as a supplement to rebates provided by Fiberight to Joining Members, all as directed by the MRC. In the first thirty-six months following the Commercial Operation Date, the MRC shall distribute (i) to Equity Charter Municipalities that are Joining Members \$5.00 per ton for each ton delivered to the Facility, and (ii) to New Charter Municipalities that are Joining Members \$3.00 per ton for each ton delivered to the Facility; provided, however, that such payments will be made only to the extent that funds are available therefor and only to the extent necessary in order to achieve a net disposal cost, after payment of all other rebates, of \$65.00 per ton for Joining Members which are Equity Charter Municipalities and \$67.00 per ton for Joining Members which are New Charter Municipalities. Thereafter, distributions from the Target Value Reserve Fund shall be made on such basis as may be approved by the MRC Board of Directors at a properly-noticed meeting in accordance with the MRC Bylaws.

3. Operating Account and Operating Budget Stabilization Fund. Upon expiration of the Existing PERC Contracts, the MRC shall manage and dispose of the funds in the Operating Account and the Operating Budget Stabilization Fund as follows:

- Pay Departing Municipalities their allocable share of the Operating Budget Stabilization Fund as of the date of termination of the Existing PERC Contracts, as determined by cumulative application of the Transaction Guidelines and other policies that have been used to make such allocations since 1998.
- Retain the remaining funds in the Operating Account and Operating Budget Stabilization Fund to support administrative costs of the MRC beyond termination of the Existing PERC Contracts.

4. Debt Service Reserve Fund. The MRC shall manage the allocation of funds released from the Debt Service Reserve Fund as follows:

- (a) First, pay the costs of securing the release of the funds.

- (b) Second, pay costs of the Equity Charter Municipalities in the dissolution of the PERC Partnership, including the costs to the MRC of representing the Equity Charter Municipalities in the course of such dissolution.
- (c) Third, pay the Equity Charter Municipalities their allocable share of the Debt Service Reserve Fund as determined based on the relative shares of tonnage delivered by each Charter Municipality during the term of the financing to which the Debt Service Reserve Fund relates, which payments shall be net of the costs of subsections (a) and (b) above and net of any amounts held in reserve until the full cost of dissolution is known.

By the end of calendar year 2018, the MRC shall identify the amounts from the Debt Service Reserve Fund that have been used to pay costs per subsections (a) and b) above; that are being held in reserve in anticipation of additional future costs; and that are available for payment to each Equity Charter Municipality. The MRC shall make such payments, if any, promptly after such decision has been made in 2018, and shall make subsequent and final payments promptly after confirming the extent to which reserve funds continue to be needed.

5. PERC Partnership Limited Partnership Interests. An Equity Charter Municipality's partnership interest in the PERC Partnership shall continue to be administered by the MRC and shall be disposed of as provided in the PERC Partnership Agreement until either (a) the Partnership is dissolved and its affairs concluded; or (b) Municipality has divested itself of any and all ownership shares in the Partnership. Municipality hereby affirms its authorization of the MRC to represent its partnership interest for all purposes including, but not limited to, determining the value of PERC Partnership interests, approving their disposition and determining or approving the allocable share of any distribution allocable to each Equity Charter Municipality.

6. Non-Charter Municipalities. Non-Charter Municipalities shall make additional payments of \$2.21 per ton over the Initial Term of their agreements with the MRC, which payments shall be added to the Target Value Reserve Fund for the benefit of the Charter Municipalities that are Joining Members. Unless the MRC Board of Directors determines otherwise for good cause shown, Departing Municipalities that subsequently are re-admitted to membership in the MRC shall, as a condition to their re-admittance, repay funds previously distributed to them from the Tip Fee Stabilization Account and the Operating Budget Stabilization Account, shall be regarded as Non-Charter Municipalities for purposes of this paragraph only, and shall be obligated to make payments to the Target Value Reserve Fund as contemplated hereby on the same basis as other Non-Charter Municipalities.

Exhibit C
to the Municipal Joinder Agreement
Components of Ratification

1.0 Execution of the Joinder Agreement

- Contact information for administrator of the Agreement
- Signed original version of the Agreement
- Evidence to confirm proper authorization and execution of the Agreement (e.g., minutes recording action by the appropriate legislative authority; sworn statement by the Town Clerk, etc.)
- Legal opinion or certificate as to enforceability of the Agreement and delegation of authority by municipal counsel

2.0 Baseline information on Joining Members

- Value for estimated annual minimum deliveries in tons per year, with description of geographic area (municipal boundaries or other designations) to which the value applies. Identify sources of municipal waste from separate authorities (e.g., schools) and confirm they are included.
- Description of method for MSW collection and delivery as of the Effective Date (including vehicle or container type and capacity, and whether municipal or private), and method for directing deliveries to the Facility
- List of MSW diversion and materials recycling programs sponsored by the Municipality as of the Effective Date, including organics diversion programs

3.0 Joining Member preference items

- Interest in regional approach to transfer or haul to the Hampden Facility
- Preferred bypass arrangements: direct to Facility or direct to Crossroads Landfill
- Interest in delivery of source-separated recyclables or clean wood or brush
- Interest in technical assistance in deciding whether to sustain or discontinue a recycling program
- Interest in regional approach to management of tires and other Unacceptable Wastes, and textiles and other potential Residual Wastes

- 207-664-1700
- info@mrcmaine.org
- execdirector@mrcmaine.org



20 Godfrey Drive ·
Orono, Maine 04473 ·
www.mrcmaine.org ·

May 29, 2019

VIA CERTIFIED MAIL

Town of Bar Harbor
50 Public Works Way
Bar Harbor, ME 04609



RE: Notices to Members pursuant to Municipal Joinder Agreement

Dear MRC Member:

As noted in our Constant Contact message on May 27, 2020, the Coastal Facility has temporarily suspended operations as a result of contractual issues with the plant operator as it pursues a needed additional round of funding to support plant improvements and cash flow. Pursuant to the First Amended and Restated Master Waste Supply Agreement and the Restated and Amended Site Lease, MRC sent Coastal Resources of Maine LLC and Fiberight, LLC notices of these Events of Default triggering a cure period for them to remedy this temporary suspension.

Pursuant to our Municipal Joinder Agreement, MRC is providing you with notices that MRC has taken the above action.

MRC is working closely with all stakeholders during this temporary suspension to ensure our members see minimal disruption in service. While the current situation requires a period of bypass, MRC continues to work through a number of alternative financing and other arrangements to enable the plant to return to operations.

If you have any questions, please do not hesitate to contact me directly at execdirector@mrcmaine.org.

Michael Carroll

A handwritten signature in black ink that reads "Michael Carroll".

MRC Executive Director

**EXHIBIT A
TO MASTER WASTE SUPPLY AGREEMENT**

Definition of Acceptable Waste

A. Acceptable Waste means all ordinary household, municipal, institutional, commercial and industrial wastes, refuse, and discarded materials, except for the following, which shall be considered Unacceptable Waste, but excluding *de minimus* amounts of such waste typically found in household waste and in quantities below thresholds for regulatory requirements for separate management:

1. demolition or construction debris from building and roadway projects or locations;
2. liquid wastes or sludges;
3. abandoned or junk vehicles and car parts, but excluding small quantities of tires accepted by agreement with the Company;
4. Hazardous Waste and Flammable Waste;
5. Infectious or Biological Waste, including dead animals or portions thereof or other pathological wastes;
6. water treatment facility residues;
7. tree stumps;
8. tannery sludge;
9. waste oil, lubricants or fuels, including gasoline and propane;
10. discarded "white goods", including bulky items such as washing machines and dryers, and items such as freezers, refrigerators, air conditioners that contain ozone depleting substances such as Chlorofluorocarbons (CFCs) and Hydro chlorofluorocarbons (HCFCs) with common names such as "Freon" and Refrigerants ("R-12").
11. waste which, in the reasonable judgment of COMPANY based on a visual inspection at the time of delivery, could, if processed, result in damage to the Facility, interruption of normal Facility operations or extraordinary processing or maintenance costs, solely by virtue of the physical or chemical properties of such waste.
12. waste that, if delivered to the Landfill as Bridge Capacity Waste or Bypass Waste, is considered Unacceptable Waste under the terms of the agreement between the MRC and the owner or operator of the Landfill.

"Flammable Waste" shall mean waste classified as Class 1 Explosives (49 CFR § 173.50), Class 2.1 Flammable Gas (49 CFR § 173.115(a)), Class 3 Flammable Liquids (49 CFR § 173.12(1)), Class 4 Flammable Solids (49 CFR § 173.124), or Class 5 Oxidizers 49 CFR § 173.127 under Maine Department of Transportation regulations or as flammable, combustible, or explosive under U.S. Department of Labor, Occupational Safety and Health Administration regulations (29 CFR Part 1910 Subpart H), or any waste that is explosive or highly flammable, combustible, or combustion-inducing, whether in liquid, solid or gaseous form and whether contained or uncontained, including but not limited to explosives, fuels, and munitions.

{EP - 02425250 - v18 }

“Hazardous Waste” shall mean waste that, by reason of its composition or characteristic, is toxic or hazardous waste as defined in the Solid Waste Disposal Act, 42 U.S.C 6900 et.seq., or the Resource Conservation and Recovery Act, 42 USC 2 §6903 (5), in either case as replaced, amended, expanded or supplemented, and regulations interpreting such acts, or in 38 M.R.S. §1303-C(15), and regulations interpreting such statute, as any of the foregoing may be amended from time to time and other hazardous wastes of any kind or nature, such as radioactive materials or source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954, as amended, cleaning fluids, crankcase oils, cutting oils, liquid solvents, paints, acids, caustics, poisons, pesticides, insecticides, or drugs but shall not include de minimus amounts of consumer products used for household purposes and typically included in household waste in compliance with applicable law. If any governmental agency or unit having appropriate jurisdiction shall determine that certain chemicals or other substances which are not, as of the date of this Agreement, considered harmful or of a toxic nature or dangerous, are harmful, toxic or dangerous, such chemicals or other substances shall be Hazardous Waste.

“Infectious or Biological Waste” shall mean (i) such waste as defined from time to time by local regulations and ordinances, state or federal law, including county regulations and laws of the State of Maine, as infectious, including, but not limited to, laboratory waste, blood, regulated body fluids, sharps, research animal wastes, and human tissues and body parts removed accidentally or during surgery or autopsy and intended for disposal; and (ii) pathological, biomedical and biological waste; sanitary sewage and other highly diluted water-carried materials or substances including silt, dissolved or suspended solids in industrial waste, water effluents or discharges which are point sources subject to permits under Section 402 of the Federal ‘Water Pollution Act, as amended, and dissolved materials in irrigation return flows; human or animal waste; sludge, including sewage sludge and septic and cesspool pump outs; and human and animal remains.

**FIRST AMENDED AND RESTATED
MASTER WASTE SUPPLY AGREEMENT**

This First Amended and Restated Master Waste Supply Agreement (the "Agreement") is made and entered into as of August 17, 2017 by and between the Municipal Review Committee, Inc., a Maine nonprofit corporation with offices at 395 State Street, Ellsworth, Maine 04605 (the "**MRC**"); Fiberight LLC ("**Fiberight**"), a Delaware limited liability company with offices at 1450 South Rolling Road, Baltimore, Maryland 21227; and Coastal Resources of Maine LLC ("**Coastal Resources**" and, together with its successors and assigns, the "**Company**").

WHEREAS, the MRC is an association organized as a Maine nonprofit corporation with a membership as of the date of this Agreement comprising 187 Maine municipalities and public or quasi-public entities representing Maine municipalities; and

WHEREAS, the mission of the MRC is to ensure the continuing availability to its members of affordable long-term, reliable, safe and environmentally sound methods of solid waste disposal at a stable and reasonable cost; and

WHEREAS, as of the Effective Date, the Charter Municipalities deliver municipal solid waste ("**MSW**") to the refused-derived fuel facility (the "**PERC Plant**") owned by the Penobscot Energy Recovery Company, L.P. (the "**PERC Partnership**") in Orrington, Maine, pursuant to waste disposal agreements that are scheduled to terminate on March 31, 2018 (the "**Existing PERC Agreements**"); and

WHEREAS, in furtherance of its mission, the MRC is charged with making arrangements for accepting and managing MSW from the Charter Municipalities, and from other interested Maine municipalities and public and quasi-public entities, to be effective beginning on or about April 1, 2018, in order to provide waste disposal arrangements for its membership upon expiration of the existing waste disposal agreements with the PERC Partnership; and

WHEREAS, Fiberight has developed a technology for processing MSW into various marketable products, and has expressed interest in developing a facility utilizing such technology in Maine; and

WHEREAS, the MRC and Fiberight have entered into a development agreement dated as of February 4, 2015, which has subsequently been assigned to the Company (the "**Development Agreement**"), pursuant to which (i) Fiberight proposes to develop, construct, maintain and operate a waste processing facility (the "**Facility**"); (ii) the MRC proposes to arrange for the supply, principally from its membership, of 102,513 tons per year of MSW to the Facility; and (iii) Fiberight and the MRC have agreed on the basic business terms for the development of the Facility; and

WHEREAS, the MRC has acquired an option (the "**Site Option**") to purchase property located off Cold Brook Road in Hampden, Maine for use as a site for the Project (the "**Project Site**"), which would be appropriate for the development of the Facility.

WHEREAS, pursuant to the Development Agreement, the MRC and Fiberight have

negotiated a long-term lease (the "*Site Lease*") of the Project Site for use by Fiberight or its assignees to develop, construct, maintain and operate the Facility to be executed and delivered as contemplated by the Development Agreement; and

WHEREAS, Fiberight and the MRC have entered into a master waste supply agreement dated as of January 1, 2016 (the "*Master Waste Supply Agreement*") in order to establish a common set of terms and conditions pursuant to which Charter Municipalities, and other interested Maine municipalities and public and quasi-public entities (collectively, the "*Joining Members*"), can make long-term commitments for delivery of MSW to the Facility, which commitments would be established through execution of Joinder Agreements between the MRC and each such municipality or other entity; and

WHEREAS Coastal Resources has been formed by Fiberight as a single purpose entity in order to facilitate project financing; and

WHEREAS, as contemplated by Article 8 of the Master Waste Supply Agreement, pursuant to an Assignment and Assumption Agreement of even date herewith, Fiberight has assigned to Coastal Resources its rights under the Master Waste Supply Agreement and the Development Agreement, and Coastal Resources has agreed to assume certain obligations of Fiberight thereunder; and

WHEREAS, the MRC, Fiberight and Coastal Resources wish to restate the Master Waste Supply Agreement to reflect the assignment from Fiberight to Coastal Resources and to amend the Master Waste Supply Agreement in certain other respects;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, it is hereby agreed to as follows:

1. TERM OF THE AGREEMENT

1.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall continue through the later of April 1, 2033, or the fifteenth (15th) anniversary of the Commercial Operation Date (the "*Initial Term*") unless terminated in accordance with the terms of this Agreement. Subject to the limitations in Section 1.2 below, the Company shall have the right to extend this Agreement for up to five (5) consecutive periods of five (5) years each (each an "*Extension Term*," and together with the Initial Term, the "*Term*") by written notice to the MRC exercising such right, which notice shall be given by the Company no later than eighteen (18) months prior to the expiration of the then current Term. Upon timely exercise of each right to extend, the Term shall be automatically extended, subject to the provisions of Section 1.2 hereof and provided that there is no then existing Event of Default on the part of the Company under this Agreement at either the time of the Company's exercise of its right to extend the Term or the commencement of the applicable Extension Term.

1.2 Right to Terminate. Notwithstanding receipt of a notice from Company exercising a right to an Extension Term, the MRC shall have the right at the end of the Initial Term or any applicable Extension Term, to terminate this Agreement by written notice to the

Company, which notice shall be given not later than nine (9) months prior to the expiration of the then current Term. Such notice of termination shall not be valid unless the MRC has simultaneously provided to the Company a valid notice to terminate the Site Lease. Unless the parties otherwise agree in writing, this Agreement shall terminate automatically in the event that the Company exercises its right to terminate the Site Lease early as provided in Section 3.3 of the Site Lease.

1.3 Cooperation to Extend Term. At any time after the tenth anniversary of the Commercial Operation Date, the Company may provide notice to the MRC of its intent to seek to extend the term of this Agreement beyond its then current Term which notice shall be accompanied by projections of Tip Fees and Rebates through the term of the proposed extension and materials to support the basis for the projections. Upon receipt of such notice, the MRC shall (a) conduct an evaluation in good faith, and cooperate with the Company to refine the proposal and determine whether the terms of the extension would be in the reasonable best interests of the Joining Members; and (b) unless such evaluation shows that extension would not be in the reasonable best interests of the Joining Members, use reasonable commercial efforts to obtain appropriate extensions of Joinder Agreements, consents or other documentation from Joining Members in order to facilitate such an extension and any related refinancing. The Company shall cooperate fully in good faith with the MRC in its conduct of such evaluation. If the Company determines in its sole discretion that the volume of MSW represented by such extended Joinder Agreements, combined with other sources of revenue for the Facility, are sufficient to render the Facility viable for such extended term, and if the MRC first determines that the terms of the proposed extension would be in the reasonable best interests of the Joining Members, then, notwithstanding anything to the contrary contained in this Agreement and in the Site Lease, this Agreement and the Site Lease shall be extended for the term of the Extension Term proposed by the Company.

2. DEFINITIONS

Capitalized terms when used herein shall have the meanings set forth below:

“Acceptable Waste” shall have the definition set forth in Exhibit A.

“Back-up Facility” means the Crossroads Landfill located in Norridgewock, Maine, or any successor facility so designated by the Parties hereunder as the permitted disposal facility that has been designated for acceptance and management of Residuals, Bridge Capacity Waste and Bypass Waste under any applicable agreement.

“Bridge Capacity Waste” shall have the meaning set forth in Section 4.6.

“Business Day” shall mean any week day that is not a recognized federal holiday.

“Bypass Waste” shall mean Acceptable Waste available from Joining Members for delivery to the Facility after the Commercial Operation Date that is instead bypassed to the Back-up Facility and not accepted or not processed at the Facility.

“Change in Law” shall mean any of the following: (a) the adoption, modification, promulgation or binding interpretation after the Effective Date, inconsistent with and more stringent than what was in effect as of the date of the Financial Close, of any federal, state or local statute, regulation or ordinance relating to the Facility or the Project Site; (b) the

imposition of any material new condition or requirement in connection with the issuance, renewal, or modification of any official permit, license or approval relating to the Facility or the Project Site after the date of the Financial Close that is inconsistent with and more stringent than what was in effect on the Effective Date or with what had been agreed to in any application of the Company or the MRC for official permits, licenses or approvals that was pending as of the date of the Financial Close; (c) a condemnation or taking by eminent domain having a material adverse effect on the Property or the Facility; or (d) an order or judgment of any federal, state or local court, administrative agency or governmental body relating to the Facility or the Project Site that is inconsistent with the law or legal requirement in effect as of the date of the Financial Close; provided that changes in federal or state tax laws or tax credits or incentives shall not be construed as changes in law.

“Charter Municipalities” shall mean the members of the MRC delivering MSW to the PERC Plant as of the Effective Date pursuant to the Existing PERC Agreements.

“Coastal Construction and Process Benchmark Schedule” shall mean a benchmark schedule and timeline developed by the Company and provided to the Maine Department of Environmental Protection on June 30, 2017, setting forth tasks and milestone dates and certain performance standards related to diversion levels, all in connection with construction of the Facility, as it may be amended from time to time.

“Commercial Operation Date” shall mean the later of (i) date on which the Initial Performance Test was completed and accepted; and (ii) April 1, 2018 .

“Company” shall have the meaning set forth in the recitals hereof.

“Confidential Information” shall mean any data or information, design, process, procedure, formula, business method or improvement that is valuable to the holder thereof and that is not generally known to its competitors or to the public including, but not limited to, financial and marketing information, and specialized information and technology developed or acquired by such party, but specifically excluding any information that (i) becomes known to the general public without fault or breach on the part of the receiving party; (ii) the holder customarily provides to others without restriction on disclosure; or (iii) the receiving party obtains from a third party without breach of any nondisclosure obligation and without restriction on further disclosure.

“Construction Access Date” shall mean the date by which sufficient progress has been made in construction of the access road such that the Company’s construction vehicles and equipment have reasonable access to the Project Site.

“Contract Year” shall mean, (i) in the case of the first Contract Year, the period measured from the Commercial Operation Date until the end of the calendar year; (ii) in the case of the year in which this Agreement terminates, the period measured from the first day of the calendar year until the effective date of termination; and (iii) in each other case, the calendar year.

“CPI” shall mean the Consumer Price Index for All Urban Consumers: U.S. City Average, all-items index, as most recently published by the United States Bureau of Labor Statistics as of January 1 of each calendar year.

"Crossroads Landfill" means the Landfill in Norridgewock, Maine operated by Waste Management.

"Delivery Sufficiency Notice" shall mean a notice pursuant to Section 4.7 from the Company to the MRC.

"Delivery Sufficiency Payment" shall have the meaning set forth in **Exhibit B**.

"Delivery Commitment" shall mean, for each Contract Year, an initial aggregate amount of not less than 102,513 tons of MSW, or such other minimum delivery requirement as may be established as provided herein, delivered to the Facility from the Joining Members as a group. The Delivery Commitment shall be proportionately reduced for any Contract Year of less than twelve months.

"Development Agreement" shall have the meaning set forth in the recitals hereto.

"Disposal Cost Differential" shall have the meaning ascribed to it in Section 4.8 of this Agreement.

"Effective Date" shall mean January 1, 2016.

"Equity Charter Municipalities" shall mean those charter municipalities having the status of Equity Charter Municipalities under the Existing PERC Agreements.

"Event of Default" shall have the meaning set forth in Article 10.

"Excused Delay Period" shall mean the period of delay, if any, in achieving the Commercial Operation Date beyond 12 months after Financial Close or November 18, 2018, whichever occurs first, attributable to delays not under the control of the Company or Fiberight, including but not limited to, delays in the Infrastructure Completion Date, or delays in the supply of Acceptable Waste for the Initial Performance Test, but excluding performance of subcontractors and equipment suppliers not deemed due to Force Majeure.

"Existing PERC Agreements" shall have the meaning set forth in the recitals hereto.

"Extension Term" shall have the meaning ascribed to it in Section 3.

"Facility" shall mean the waste processing facility to be designed, developed, constructed and operated by the Company on the Site utilizing proprietary technology for reusing, recycling and processing MSW into various marketable products, including an accurate weighing mechanism for purposes of determining the Tipping Fee.

"Facility Permits" shall mean permits, approvals, licenses and directives applicable to the Facility issued by federal, state or local government authorities pursuant to applicable law, rule or regulation.

"Fiberight" shall have the meaning set forth in the recitals to this Agreement.

"Final Performance Test" shall mean a test to be conducted in accordance with agreed protocols verifying the capability of the Facility to produce commercially saleable

byproducts, or product precursors thereof, as appropriate, on a continuous and sustainable basis, with acceptable content of metals, plastics, COD and unconverted sugars in residual solid or liquid form, as applicable, within stated parameters, all as specified in detail in Section 7.4 of the Site Lease.

“Financial Close” shall mean the closing of debt and equity financing for the Company that provides to the Company construction financing sufficient to finance construction of the Facility.

“Force Majeure” shall mean any unforeseeable act, event or condition occurring after the Effective Date that has had, or may reasonably be expected to have, a material adverse impact on the rights or the obligations of any Party under this Agreement; or a material adverse effect on the rights or obligations of either Party under this Agreement or on the Facility, the Property or the Infrastructure or on the construction, ownership, possession or operation of the Facility, the Property or the Infrastructure, provided that such act, event or condition (a) is beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under this Agreement; (b) is not the result of willful or negligent action, inaction or fault of the Party relying thereon; and (c) which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome.

Acts, events or conditions of Force Majeure shall include, without limitation; (i) acts of God, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, high-water washouts, and extraordinary storms (but excluding reasonably foreseeable weather conditions); (ii) a strike, work slowdown or similar industrial or labor action not exclusive to the Facility (iii) acts of the public enemy, wars, blockades, insurrections, riots, arrests and restraints by governments, civil disturbances, sabotage, and acts of terrorism or similar occurrences; (iv) catastrophic events such as explosions, breakage or accident to machinery or lines of pipe caused by the foregoing; (v) condemnation or taking by eminent domain of the Property or the Facility, in whole or in part, (vi) a Change in Law, (vii) and an event involving delivery of Unacceptable Waste to the Facility resulting in an estimated cost for handling, removal, and remediation of more than one million dollars (\$1,000,000) in excess of amounts recoverable either from insurance proceeds or from a party identified as the source of the waste. Force Majeure shall not include changes in market conditions for the supplies to or products of the Facility, and shall not include changes in the cost of the supplies, materials or labor needed to construct or operate the Facility, or that reduce the profitability of the Facility, unless specifically attributable to a specific Force Majeure event that affects the non-performing party as enumerated above.

“Force Majeure Plan” shall have the meaning set forth in Section 13 hereof.

“Hauler” shall mean any person or entity that delivers or is allowed to deliver Acceptable Waste to the Facility.

“Hours of Operation” shall mean 6:00 a.m. to 6:00 p.m. Eastern Time, Monday through Friday and 6:00 a.m. to 2:00 p.m. on Saturday, excluding Observed Holidays, or such other hours as may be mutually agreed upon by the Parties for acceptance of deliveries of Acceptable Waste. It is understood that the Facility shall be operated on a regular and

continuous basis.

“Indemnified Party” shall have the meaning ascribed to it in Article 7 of this Agreement.

“Indemnifying Party” shall have the meaning ascribed to it in Article 7 of this Agreement.

“Infrastructure” shall mean an access road to the Project Site from Coldbrook Road, and water and sewer lines to be constructed to serve the Project Site.

“Infrastructure Completion Date” shall mean the date on which the MRC shall have completed installation of the Infrastructure such that its availability does not delay the Company’s completion of construction and commencement of operation of the Facility.

“Initial Performance Test” shall mean a test to be conducted in accordance with agreed protocols verifying (i) the installation of a functioning materials recovery facility (MRF) that provides the capability for the Facility to accept and process a minimum of 45 tons of Acceptable Waste per hour over a reasonable period of time to be agreed upon by the Company and the MRC while operating in substantial compliance with all Facility Permits and without creating nuisance conditions, and without extraordinary outside support or staffing in excess of expected levels of staffing for the Facility; and (ii) that scales, scale house and scale software are functioning adequately; and (iii) that the movement of residuals from the Facility to the Back-up Facility is in place and functioning, all as specified in detail in Section 7.4 of the Site Lease.

“Initial Term” shall have the meaning ascribed to it in Section 1.1 of this Agreement.

“Investor” shall mean any person or entity identified by the Company as holding an equity interest in the Company entitling such holder to an interest in profits of not less than 25%.

“Joinder Agreements” shall mean Municipal Joinder Agreements substantially in the form of Exhibit C between the MRC and Joining Members setting forth the terms and conditions under which Joining Members will supply Acceptable Waste to the Facility.

“Joining Member” shall mean a municipality or municipal or other entity that has entered into a Joinder Agreement with the MRC pursuant to which it is obligated to deliver MSW to the Facility under this Agreement.

“Law” shall mean a federal, state or local statute, ordinance, regulation, rule or order issued by a governmental authority with jurisdiction over its subject matter.

“Lender” shall mean any person or entity, or syndicate of persons or entities, identified by the Company as providing debt financing for the Facility or any trustee, agent or representing acting for the benefit of or on behalf of such persons; provided that, in the case of a syndicate or similar grouping of lenders, the members of the syndicate or group shall act through a single designated representative and not individually.

“MRC” shall mean the Municipal Review Committee, a Maine nonprofit corporation.

“MRC/Company Agreements” shall have the meaning ascribed to it in Article 13.

“**MSW**” shall mean municipal solid waste as defined in 38 M.R.S. §133-C(29) and in the Maine Solid Waste Management Rules Ch. 400.1. (NNNN) as promulgated by the Maine Department of Environmental Protection.

“**Observed Holidays**” shall mean New Year’s Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

“**Party**” shall mean a party to this Agreement and

“**Parties**” shall mean two or more parties to this Agreement.

“**PERC Partnership**” shall have the meaning ascribed to it in the Recitals.

“**PERC Plant**” shall have the meaning ascribed to it in the Recitals.

“**Performance Standards**” shall mean specific levels of performance that must be exceeded for the Facility to be considered as having passed the Initial Performance Test or the Final Performance Test, as applicable.

“**Project**” shall mean the design, development, construction and operation of the Facility on the Project Site.

“**Project Site**” shall mean the site upon which the Facility is to be constructed and operated as more particularly described in the Site Lease.

“**Rebates**” shall mean the payments to be made by the Company to the MRC for the benefit of the Joining Members described in **Exhibit F**.

“**Residuals**” shall mean solid materials that are byproducts of the processing of Acceptable Waste such as rock, certain plastics, textiles, rubber, and other materials that cannot be incorporated into products recovered at the Facility for sale.

“**Residuals Agreement**” shall mean the Waste Disposal Agreement for disposal of Residuals, Bridge Capacity Waste and Bypass Waste between the MRC and Waste Management Disposal Services of Maine, Inc. dba Crossroads Landfill, dated August 24, 2015, as amended, and its successors.

“**Single Stream Recycling**” shall mean residential or business segregated recyclable materials that are mixed together by a household or business and that are collected and delivered to the Facility for recycling purposes.

“**Site Lease**” shall mean a lease of the Project Site from the MRC to the Company, which is anticipated to be executed after the Effective Date and to be on substantially the terms set forth in **Exhibit D**.

“**Site Option**” shall mean the option held by the MRC to acquire the Project Site.

“**Term**” shall have the meaning given to such term in Article 1 of this Agreement.

“**Tipping Fee**” or “**Tip Fee**” shall mean the fee as set forth in Article V paid to the Company for accepting MSW delivered to the Facility.

“**Unacceptable Waste**” shall have the meaning set forth in **Exhibit A**.

"Waste Management" shall mean Waste Management Disposal Services of Maine, Inc., a Maine corporation with a place of business at Norridgewock, Maine.

3. WASTE DELIVERY

3.1 Delivery Commitments in Advance of Construction. The MRC shall secure from Joining Members commitments to deliver to the Facility, in the aggregate, tons of MSW sufficient to satisfy the Delivery Commitment for each Contract Year, each such commitment to be evidenced by a Joinder Agreement substantially in the form of **Exhibit C** with the final form to be approved by the MRC and the appropriate legislative body of the Joining Member.

Each such Joinder Agreement shall include:

(i) an acknowledgement that the Joining Member shall be bound by the obligations imposed on it under this Agreement including, without limitation, those obligations specified in Sections 4.2, 4.3, 4.6, 5.1, 5.2, 5.4 and 5.5.

(ii) a commitment to deliver to the Facility starting on the Commercial Operation Date through the Term of this Agreement, on an exclusive basis, all Acceptable Waste generated within the borders of and under the control of the Joining Member;

(iii) an acknowledgement that nothing in the Joinder Agreement shall be construed to require a Joining Member to institute flow control or implement other measures to the extent that, in its good faith opinion, such measures would constitute a violation of Law; and (ii) subject to subparagraph (v) below, each Joining Member shall have the right to establish, continue, expand or discontinue, at its sole option, existing or future programs intended to encourage reduction, reuse or recycling of MSW generated within its borders, subject to the requirements of Section 3.4 of the Joinder Agreements.

(iv) a covenant that the Joining Member shall not, without first providing notice to the MRC, alter the scope of its responsibility for collection, transfer and transportation of MSW originating within its borders as of the Effective Date, to the extent that such proposed change in scope would result in a material reduction in the quantity of Acceptable Waste being delivered to the Facility by all Joining Members in the aggregate or would constitute a violation by the Joining Member of its obligation to deliver Acceptable Waste generated within its borders exclusively to the Facility;

(v) a covenant that, after the effective date of the Joinder Agreement, the Joining Member will not, without the prior consent of the Company, initiate new programs, or significantly and materially expand existing programs, to divert organic components from MSW generated within its borders that otherwise would have been delivered to the Facility, provided that this covenant will not be construed to limit the right of any Joining Member to continue to operate existing programs substantially as operated as of the Effective Date or to institute "pay as you throw" or similar waste reduction programs in its discretion so long as all MSW generated within its borders and under its control continues to be delivered to the Facility, and further provided that Joining Members may, without the prior consent of the Company or Fiberight ,

sponsor programs for diversion of edible food waste to food pantries or other distribution points, use food scraps as soil nutrients in community projects, and promote back-yard composting of food scraps by residents. Such programs shall not change the Joining Members' obligations to deliver MSW to the Facility or to pay amounts specified in this Agreement;

(vi) an annual estimate, expressed in tons per year, of expected annual deliveries of Acceptable Waste to be made by the Joining Member to the MRC, such estimate to be based on past MSW deliveries to the PERC Plant and other solid waste disposal facilities, reasonably adjusted for forecasted changes in MSW generation (net of anticipated waste reduction and continued recycling efforts), delivery patterns, diversion, and management through methods not under the control of the Joining Member;

(vii) explicit acknowledgement of the authority of the MRC to enforce the obligations and covenants set forth in the Joinder Agreement; and

(viii) explicit delegation to the MRC of authority to represent the Joining Member's interest in the Master Waste Supply Agreement and the Site Lease, including review and acceptance of Tip Fees, Rebates, and administration of the receipt, reserving, application and distribution of Rebates as permitted under the MRC Bylaws and by Law and acknowledgement that it will otherwise be bound by the MRC Bylaws.

3.2 Procurement of Delivery Commitments. The MRC has obtained Joinder Agreements from municipalities and other municipal entities representing an aggregate commitment to deliver not less than the Delivery Commitment, commencing on the Commercial Operation Date and continuing each year thereafter. The MRC agrees to continue to encourage Maine municipalities and municipal entities to become Joining Members by executing Joinder Agreements until April 1, 2018 or such later date as the MRC and the Company may mutually agree upon in writing or, if sooner, until such date as the Company provides notice to the MRC either that it has been unsuccessful in securing financing sufficient to develop the Project and has abandoned efforts to do so, or alternatively, that the MRC has secured the maximum quantity of Acceptable Waste that the Company projects it will be able to accept at the Facility once it becomes operational.

3.3 Commitment to Development of Project. The Parties acknowledge that the Delivery Commitment is sufficient to allow financing and development of the Facility to proceed and to allow commercial operation of the Facility upon completion.

3.4 Delivery Commitments Prior to Commercial Operation Date. The MRC acknowledges that, prior to the Commercial Operation Date, and potentially prior to termination of the Existing PERC Agreements, the Company will need limited supplies of MSW in various quantities during the start-up of the Facility for purposes of testing equipment and operational procedures. The MRC agrees to support the Company's efforts to obtain MSW for such purposes from public and private sources, provided that:

i) the MRC will not be required to divert or otherwise interfere with deliveries of MSW from Charter Municipalities to the PERC Plant under the Existing PERC Agreements for as long

as such agreements remain in effect (but not after March 31, 2018) and the PERC Plant is accepting such deliveries; and

(ii) the MRC will not be required to utilize or disclose information obtained from the PERC Partnership or otherwise regarding commercial sources of MSW to the extent that such information is protected by existing enforceable confidentiality agreements or is not otherwise public information.

3.5 Delivery Commitments After the Commercial Operation Date.

(i) Commencing on the Commercial Operation Date and continuing for so long as this Agreement remains in effect, the MRC will cause the Joining Members to deliver MSW to the Facility in a minimum aggregate amount of not less than the Delivery Commitment. The MRC and the Company agree to cooperate in monitoring deliveries of MSW to the Facility by Joining Members and otherwise enforcing compliance with the Joinder Agreements.

(ii) Within ten (10) days after the end of each month subsequent to the Commercial Operation Date, the Company shall provide the MRC, in readable electronic form, data based on available scale records accurately reflecting total tons of MSW delivered to the Facility by each customer, including each Joining Member, for which deliveries are recorded in separate measurements. The Company and the MRC shall monitor the level of MSW deliveries to identify unforeseen changes in delivery patterns by Joining Members.

3.6 Additional MSW. To the extent that deliveries of MSW from Joining Members pursuant to this Agreement are insufficient to permit the Facility to operate at full capacity, the Company shall use reasonable commercial efforts to attract additional MSW that is economically available from other sources (but originating within the State of Maine) to enable the Facility to operate at full capacity, whether capacity for such additional MSW is available due to diversion of MSW away from the Facility by Joinder Municipalities or for any other reason. The MRC is obligated to support such efforts by the Company and to initiate and implement complementary efforts.

3.7 Determination of Achievement of Delivery Commitment. At the end of each Contract Year, the Company shall provide written notice to the MRC (a "Delivery Sufficiency Notice"), with supporting data, to indicate whether the Delivery Commitment for the immediately preceding Contract Year has been met. For purposes of determining whether the Delivery Commitment has been met, the Company shall, in addition to Acceptable Waste delivered by or on behalf of each Joining Member, include the following:

(i) MSW delivered to the Facility but not credited directly to the account of a Joining Member to the extent that such MSW was generated within the borders of the Joining Member but was delivered to the Facility under the account of one or more Haulers or other Company customers;

(ii) MSW delivered to the Facility that was obtained from sources other than Joining Members and was not generated within the borders of a Joining Member, with the credit for the tons so obtained to be adjusted by applying a ratio to the amount of such credit the numerator of

which shall be the tip fee paid by such outside source and the denominator of which shall be the Tip Fee net of the Rebate applicable to MSW delivered by Joining Members during the applicable Contract Year;

(iii) Bypass Waste; and

(iv) MSW that, in accordance with a program pre-approved by the Company, was documented as having been diverted by Joining Members and removed from the waste stream prior to delivery, and which, if delivered to the Facility, would have been extracted from the incoming waste stream as Residuals.

All Delivery Sufficiency Notices shall be delivered to the MRC and none shall be delivered by the Company directly to Joining Members.

3.8 Delivery Sufficiency Payments. The Company shall include in any Delivery Sufficiency Notice a calculation of the Delivery Sufficiency Payment being charged, if any, with sufficient backup detail to enable the MRC to verify the calculation as contemplated by **Exhibit B**. The MRC shall have thirty (30) days from the date of receipt of such calculation within which to object in writing. Any objection shall specify the basis for the objection and the amount, if any, of any Delivery Sufficiency Payment that the Company claims is due. If no objection is lodged, the MRC shall have the option to (i) make direct payment in immediately available funds of any Delivery Sufficiency Payment within sixty (60) days from the date of receipt of the Delivery Sufficiency Notice; (ii) instruct the Company to offset the amount of the Delivery Sufficiency Payment against future Rebates otherwise payable to the MRC; or (iii) transfer to the Company the amount of the Delivery Sufficiency Payment within sixty (60) days from the date of receipt of a Delivery Sufficiency Notice from any reserve fund established for such purpose. If an objection is properly lodged by the MRC, it shall nonetheless pay any portion of the Delivery Sufficiency Payment not in dispute as provided in this paragraph but may withhold the amount in dispute until such time as the parties have reached a mutually acceptable resolution or, if such a resolution cannot be reached, until the amount of the Delivery Sufficiency Payment has been determined by arbitration as provided in Section 14.4. Provided that the MRC makes any Delivery Sufficiency Payment required by this Section 3.8, a failure to meet its Delivery Commitment shall not constitute a default under this Agreement or otherwise entitle the Company to terminate this Agreement. Nothing in this Agreement shall be construed to restrict any right that the MRC may have to seek recovery of all or a portion of any Delivery Sufficiency Payment from one or more Joining Members pursuant to the terms of the Joinder Agreements.

4. ACCEPTANCE AND PROCESSING OF WASTE

4.1 Obligation to Accept MSW. Beginning on the Commercial Operation Date and continuing for so long as this Agreement shall remain in effect, the Company shall operate the Facility in accordance with the Performance Standards and, and subject to the terms of Section 4.5, shall accept all deliveries of Acceptable Waste from Joining Members made during Hours of Operation. No deliveries to the Facility shall occur outside of the Hours of Operation unless mutually agreed upon in writing by the MRC and the Company. Notwithstanding the foregoing, the Company shall not be obligated to accept incoming deliveries of Acceptable Waste that fail to comply with the requirements set forth in **Exhibit E**.

4.2 Delivery Procedures. The MRC shall ensure that all Joining Members are obligated to comply with the delivery procedures set forth in **Exhibit E**. In the case of deliveries to the Facility, such procedures shall include adherence to Company rules on access routes to the Facility, queuing, truck identification and general conditions, scale weigh-in and weigh-out procedures, management of weigh records, and methods of unloading. For deliveries of Bridge Capacity Waste or Bypass Waste directly to the Back-up Facility, such procedures shall include adherence to rules and provisions applicable to deliveries to the Back-up Facility as indicated in any agreement entered into by the MRC or the Company for acceptance and management of such Bridge Capacity Waste or Bypass Waste.

4.3 Unacceptable Waste. Entities delivering MSW to the Facility, including Joining Members and Haulers delivering MSW to the Facility on their behalf, shall not deliver Unacceptable Waste to the Facility and shall indemnify the MRC, the Company and its subcontractors against costs related to any such deliveries. The Company shall not knowingly permit delivery to or acceptance at the Facility of Unacceptable Waste and shall use reasonable care to identify and remove Unacceptable Waste from waste delivered to or accepted at the Facility at the earliest point of acceptance and handling. The Company, in its sole discretion, shall have the right to inspect the contents of any vehicle delivering MSW to the Facility in order to determine the presence of Unacceptable Waste, including the right to require the person operating such vehicle to unload the contents as directed by the Company for inspection or the taking of samples. If any vehicle is found, by sampling or otherwise, to contain Unacceptable Waste, the Company may reject all or part of the delivery. In the event a delivery contains Unacceptable Waste, the Company shall have the right to re-load the Unacceptable Waste into the delivery vehicle. The Hauler shall then remove such Unacceptable Waste promptly from the Facility and make alternative arrangements for handling and disposal in accordance with Law and directives of any regulatory agency having jurisdiction at the sole cost and expense of such Hauler. If the Company does not identify the presence of Unacceptable Waste before the Hauler leaves the Site, then the Company agrees that it will properly dispose of such Unacceptable Waste; provided, however, that the Company reserves the right to pass any uninsured handling and disposal expenses and costs for environmental clean-up and remediation that result from the delivery of Unacceptable Waste to the Facility (other than deliveries of Unacceptable Waste knowingly permitted to be made by the Company or with respect to which the Company has failed to use reasonable care to identify and remove such Unacceptable Waste prior to acceptance) through first, to any Hauler reasonably identified by video evidence or otherwise as having delivered such Unacceptable Waste; second, if such Hauler cannot be identified or if such costs cannot be recovered, and the Company can demonstrate that the Unacceptable Waste was

delivered by or on behalf of a Joining Member, then to that Joining Member, if known, from which the Unacceptable Waste originated. If the Joining Member fails to pay such costs, such costs shall be recoverable from the MRC. If, despite the Company's compliance with reasonable procedures for inspecting, identifying and removing Unacceptable Waste from incoming materials, Unacceptable Waste is accepted from a source that cannot be identified, then costs shall be apportioned between the MRC and the Company on the basis of the proportion of material accepted from Joining Members and from entities other than Joining Members during the time period during which the Acceptable Waste was determined to have been delivered. In all such cases, the MRC shall receive copies of any notices or invoices sent to such Hauler or Joining Member and shall be afforded reasonable access to the Company's records forming the basis for any costs assessed. The Company agrees to cooperate in good faith with the MRC to make arrangements for management and disposal of categories of MSW not processable by the Facility that would have been accepted if delivered to the PERC Plant under the Existing PERC Agreements.

4.4 Right to Accept Other MSW. The Company may accept MSW or other solid waste allowed under the conditions of its permits from any source other than the Joining Members so long as (i) such MSW was generated within the State of Maine, (ii) its acceptance by the Company will not interfere with the ability of Joining Members to deliver MSW under this Agreement, and (iii) receipt of such MSW otherwise complies with the terms of this Agreement. Title to all MSW transfers to the Company upon its acceptance at the Facility.

4.5 Bypass of MSW after Commercial Operation Date. The Company shall use reasonable commercial efforts to accept and process all Acceptable Waste delivered by or for the account of Joining Members on or after the Commercial Operation Date at the Facility and shall avoid or minimize bypassing such waste to the Back-up Facility. The Company may bypass deliveries of Acceptable Waste by Joining Members after the Commercial Operation Date only to the extent that the Facility is unable to accept MSW due to an Event of Force Majeure, limits on capacity resulting from an outage, a full tip floor, the need to avoid nuisance impacts, permit limits or other factors beyond its reasonable control. The MRC shall inform the Company promptly of any event of which it becomes aware that could have a material impact on the volume of waste to be delivered on either a short-term or a long-term basis under this Agreement and shall consult with the Company on not less than a quarterly basis as to projected monthly delivery levels hereunder.

In the event that it intends to bypass waste deliveries by or for the account of Joining Members, the Company shall provide notice to the MRC and inform affected Joining Members as soon as possible, and shall cooperate with the MRC to coordinate the use of the Back-up Facility by the Joining Members. Joining Members shall pay the Tipping Fee with respect to Bypass Waste as if it were Acceptable Waste delivered to the Facility. The Company shall pay all extra transportation costs, disposal fees or other costs, if any, in connection with delivery of Bypass Waste to the Back-up Facility.

4.6 Management of MSW before the Commercial Operation Date; Bridge Capacity Waste. In the event that either (i) the PERC Plant is not accepting deliveries of MSW from the Joining Members that are Charter Municipalities prior to March 31, 2018; or (b) the Commercial

Operation Date occurs later than April 1, 2018, then the Company will use commercially reasonable efforts to:

- (a) advance the occurrence of the Commercial Operation Date in order to be capable of accepting and processing Acceptable Waste delivered by the Joining Members as soon as possible;
- (b) allow the Facility to be used to accept and process Acceptable Waste delivered by Joining Members to the extent practical, with the specific sources of Acceptable Waste being accepted to be determined in consultation with the MRC; and
- (c) allow the Facility to be used to receive Acceptable Waste, and transfer amounts that are accepted, but cannot be processed, to the Back-up Facility, with the specific sources of Acceptable Waste being accepted to be determined in consultation with the MRC.

Acceptable Waste delivered to the Facility for the account of Joining Members prior to the Commercial Operation Date shall be deemed Bridge Capacity Waste. The Company shall cooperate with the MRC to coordinate the use of the Back-up Facility by the Joining Members for acceptance of Bridge Capacity Waste. In such event, to the extent that a Joining Member delivers Bridge Capacity Waste to the Facility, it shall pay to the Company the Tip Fee otherwise due under Article 5, and the Company shall be responsible for the costs of transporting and disposing of such Bridge Capacity Waste at the Back-up Facility. To the extent that a Joining Member delivers Bridge Capacity Waste directly to the Back-up Facility, the MRC shall pay, or arrange for the Joining Member to pay, tipping fees with respect to Bridge Capacity Waste directly to the Back-up Facility in accordance with the agreement for management of Bridge Capacity Waste as directed by the MRC, and the Joining Members delivering Waste to the Back-up Facility shall arrange for and pay transportation costs for delivery of Bridge Capacity Waste to the Back-up Facility.

4.7 Liquidated Damages. In the event that the Facility is not ready to accept a minimum of 160 tons per day of Acceptable Waste from Joining Members on or before April 1, 2018, and (a) the delay can be attributed to the failure by the Company, or a subcontractor or other party for whom the Company is responsible, to complete a task within the time frame set forth in the Coastal Construction and Process Benchmark Schedule; and (b) the delay cannot be attributed to a Force Majeure as to which the Company has given notice under the Site Lease; and (c) the delay cannot be attributed to unforeseen action, delay in action or failure to act by any regulatory agency or governmental body with jurisdiction over the Project; and (d) the delay cannot be attributed to extraordinary adverse weather conditions; then, for each Business Day beyond April 3, 2018 that the Facility does not accept Acceptable Waste from Joining Members, the Company shall pay to the MRC liquidated damages in the amount of \$1,000, such liquidated damages to be paid as they are incurred, with the total amount of such liquidated damages capped at \$75,000. The Company agrees to utilize reasonable commercial efforts to include in any contracts with subcontractors a requirement for a performance bond, where appropriate, and liquidated damages provisions penalizing the contractor for late performance.

4.8 Residuals Disposal. The Company and the MRC acknowledge that the MRC has entered into the Residuals Agreement and that the Crossroads Landfill, which is operated by Waste Management, has been designated as the Back-up Facility for disposal of Bridge Capacity Waste, Bypass Waste and Residuals under this Agreement and under the terms and conditions and at the tipping fees set forth in the Residuals Agreement. The Company agrees to manage disposal of Bridge Capacity Waste, Bypass Waste and Residuals in accordance with the terms of the Residuals Agreement for so long as the Residuals Agreement remains in effect. The Parties acknowledge that the Residuals Agreement has an initial term that extends through March 31, 2028, which term may be extended for up to two periods of five years each, subject to certain conditions set forth therein. The Company shall be responsible for securing appropriate transportation arrangements in connection with Residuals disposal and for managing, in consultation with the MRC, all extensions or replacements of the Residuals Agreement.

In the event that, in accordance with Section 4 of the Residuals Agreement, Crossroads provides notice to the MRC of an anticipated closure of the Crossroads Landfill, the Crossroads Landfill is otherwise anticipated to be closed prior to the expiration of the Initial Term, or Waste Management otherwise terminates or declines to renew the Residuals Agreement then:

- (i) The MRC and the Company shall cooperate in good faith to negotiate with Waste Management (or, if applicable, with a successor replacement entity) to establish alternative arrangements at the lowest available net cost for the disposal of Residuals and Bypass Waste and, if relevant, Bridge Capacity Waste.
- (ii) In the event the Crossroads Landfill is closed or the Residuals Agreement otherwise terminated and the successor arrangement involves costs that differ from those that would have been incurred under the Residuals Agreement (the "**Disposal Cost Differential**"), then the Disposal Cost Differential incurred each month shall be shared between the MRC and the Company in proportion to the total tons of Acceptable Waste delivered by all Joining Members as compared to the tons delivered from all other sources; provided, however, that Disposal Cost Differential to be shared between the MRC and Company shall exclude:
 - a. additional costs for disposal of any Residuals classified as Hazardous Waste.; and
 - b. additional costs for disposal of Residuals in quantities that exceed twenty percent (20%) by weight of the Acceptable Waste accepted and processed at the Facility on an annual average basis, unless such overage is determined to be attributable to material deviations in the composition of Acceptable Waste from that reflected in data on MSW composition in Maine that was readily available prior to Financial Close and notwithstanding recovery of materials and organics from Acceptable Waste at levels at or above those determined during the Initial Performance Test or the Final Performance Test, as appropriate, or, if not so measured, anticipated at the time of Financial Close.
- (iii) Amounts payable by the MRC to the Company for the MRC's share of any Disposal Cost Differential may be provided through offsets against Rebates, or, at

the MRC's election or to the extent that Rebates payable are insufficient to cover the Disposal Cost Differential, from reserve funds held by the MRC or otherwise directly or indirectly from Joining Members. Amounts payable by the Company to the MRC for the Company's share of any Disposal Cost Differential shall be paid to the MRC as additional Rebates and shall be paid as such amounts become due.

The MRC shall use reasonable commercial efforts through targeted reduction, source separation and diversion programs, to cause Joining Members to divert materials from the Facility prior to delivery that are not suitable for processing into products at the Facility and that would, if delivered and processed, become Residuals.

5. PAYMENT

5.1 Tipping Fee.

(i) The initial Tipping Fee charged each month for MSW delivered to the Facility by or for the account of Joining Members shall be Seventy Dollars (\$70.00) per ton, subject to adjustment as of each January 1 during the Term to reflect any annual percentage increase in the CPI since January 1 of the calendar year that includes the Commercial Operation Date, in the case of the first such adjustment, or the effective date of the last adjustment, in the case of each subsequent annual adjustment. The Company shall provide the MRC with the calculation of the annual escalation of the Tipping Fee no later than ten days following the start of any calendar year in sufficient detail to allow the MRC to review the calculation and to accept or dispute it.

(ii) The Company and MRC acknowledge that determination of the Tipping Fee is governed by both this Section 5.1 and Section 4.1 of the Joinder Agreements. Accordingly, the MRC cannot agree to amendments to the Tipping Fee that might be proposed by the Company unless each Joining Member explicitly authorizes the MRC to amend the Tipping Fee by amending its Joinder Agreement with the MRC and any such amendments shall apply only to Joining Members that have agreed to them.

5.2 Materials from Single Stream Recycling Programs. The Company shall designate tipping fees for acceptance of materials from Single Stream Recycling Programs and other programs involving collection or accumulation and delivery of recyclable materials by Joining Members to the Facility, which tipping fees shall not exceed 50 percent of the tipping fee charged for MSW. Joining Members may make separate arrangements to bring materials collected through Single Stream Recycling programs to the Facility and shall pay tipping fees directly to Company for such deliveries. Recyclable materials delivered under this Section 5.2 shall not be included in determining whether the Delivery Commitment has been met.

5.3 Rebates. On a quarterly basis, the Company shall calculate the Rebate to be paid to the MRC in accordance with Exhibit F and shall provide a calculation of such Rebate to the MRC within twenty (20) days of the end of each calendar quarter with sufficient detail to allow the MRC to review the calculation. The MRC shall have twenty (20) days from receipt of the statement to accept or dispute the calculation and for that purpose, shall be afforded reasonable access to the Company's record forming the basis for the calculation. Unless the MRC files with

the Company a written objection setting forth a basis for disputing the calculation within such twenty (20) day period, such calculation shall be final and binding on all parties, and the Company shall promptly pay to the MRC any undisputed amount. Disputes shall be referred for resolution in accordance with Section 14.4 hereunder.

The Company shall have the right to offset overdue amounts payable by the MRC or any Joining Member against any Rebate payment, provided that the amount offset was identified and substantiated in the original calculation provided to the MRC and the MRC has not filed an objection to the calculation within the prescribed period.

5.4 Invoices. Within five (5) days of the end of each calendar week during the Term, the Company shall provide an invoice to each Joining Member, with a copy to the MRC, in a form reasonably acceptable to the MRC showing the number of tons of MSW delivered by or for the account of such Joining Member during the preceding calendar week and the amount due from such Joining Member for such calendar month. Invoices may be transmitted by generally accepted electronic means. The amount due shall be equal to the then applicable Tipping Fee multiplied by the number of tons (rounded to the nearest twenty (20) pounds) delivered by the Joining Member to the Facility during such calendar week. Each Joining Member shall pay all such invoices directly to the Company within thirty (30) days of receipt; provided, however, that in the event the calculation thereof has been challenged by the MRC, Joining Member may withhold payment of any amount under challenge.

5.5 Payment. Each Joining Member shall pay all invoiced amounts due to the Company within thirty (30) days from initial receipt of the invoice; provided, however, that it may withhold payment of any amount the payment of which it is contesting in good faith. Prior to taking action with respect to any failure to make payment, the Company shall provide notice to the MRC of any overdue payment and afford to the MRC a reasonable opportunity to make any overdue payment on behalf of a Joining Member. The MRC shall have the right, but not the obligation, to make any such overdue payments. Late payments may be assessed interest at the rate of 1% per month from the date due until paid.

6. INDEMNIFICATION

6.1 Indemnification by the Company. The Company agrees to defend, indemnify, and hold harmless the MRC, each Joining Member, and their respective members, directors, elected officials, officers, agents and employees against any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly from (i) any negligent or willful act or omission by the Company, its members, managers, officers, agents, employees (including duly authorized volunteers), contractors, or anyone acting on the Company's behalf, (ii) any failure by the Company to properly process, and/or dispose of any MSW delivered to the Facility; or (iii) any failure by the Company to otherwise perform fully its obligations under this Agreement, in each case except to the extent excused by Force Majeure or resulting from actions or omissions of the MRC or a Joining Member not in material compliance with this Agreement or a Joinder Agreement. The foregoing indemnity expressly extends to claims of injury, death, or damage to employees of the Company or of a subcontractor, anyone directly or indirectly employed by the Company, or anyone for

whose acts they may be liable. In claims against any person or entity indemnified under this Section 6.1 by an employee of the Company or subcontractor, the indemnification obligation under this Section 6.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Company or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. The Company expressly waives immunity under workers' compensation laws for the purposes of this indemnity provision.

6.2 Indemnification by MRC. The MRC agrees to defend, indemnify, and hold harmless the Company, its members, managers, officers, agents, and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly from (i) any willful or negligent act or omission by the MRC, its directors, officers, agents, employees (including duly authorized volunteers), contractors, or anyone acting on the MRC's behalf; and (ii) any failure by the MRC to perform fully its obligations under this Agreement, in each case except to the extent excused by Force Majeure or resulting from actions or omissions of the Company not in material compliance with this Agreement. The foregoing indemnity expressly extends to claims of injury, death, or damage to employees of the MRC or of a subcontractor, anyone directly or indirectly employed by the MRC, or anyone for whose acts they may be liable. In claims against any person or entity indemnified under this Section 6.2 by an employee of the MRC or subcontractor, the indemnification obligation under this Section 6.2 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the MRC or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. The MRC expressly waives immunity under workers' compensation laws for the purposes of this indemnity provision.

6.3 Notice. A Party asserting a right to indemnification under this Article 6 (the "Indemnified Party") shall give to the other Party (the "Indemnifying Party") written notice of the commencement of any legal action or other circumstance that may give rise to a claim for indemnification hereunder within ten (10) days of receipt of written notice by it of commencement of a legal action and within thirty (30) days of learning of any other circumstances giving rise to a claim for indemnification; provided, however, that failure to so notify the Indemnifying Party shall discharge it from its indemnification obligation hereunder only if and to the extent that it has been materially prejudiced thereby. The Indemnified Party shall afford to the Indemnifying Party access to all records and information relating to such claim, facts and circumstances (except those matters privileged under applicable state or federal law or rules of evidence) reasonably necessary to permit the Indemnifying Party to evaluate the merits of such claim or the accuracy of such facts and circumstances. Upon receipt of notice, the Indemnifying Party may elect to participate in or, if it acknowledges its obligation to indemnify, assume defense of, such action at its own expense and with counsel of its own choosing. The Indemnified Party shall not settle or compromise any claim with respect to which indemnification is sought without the prior written consent of the Indemnifying Party which consent may not be unreasonably withheld or delayed. Notwithstanding that the Indemnifying Party may have assumed defense of an indemnified claim, the Indemnified Party shall have the right, at its sole expense, to retain its own counsel to participate in such defense.

6.4 Opportunity to Cure. The Indemnifying Party shall be entitled, at its sole cost and expense, to undertake to cure any circumstances or to pay or settle any claim which is the

subject of a claim for indemnification provided that, prior to such settlement, the Indemnifying Party either (i) acknowledges its obligation hereunder to indemnify the Indemnified Party, or (ii) obtains the written consent of the Indemnified Party to the settlement.

6.5 Resolution of Dispute as to Indemnification. Any dispute relating to indemnification may, at the election of either Party, be resolved through the dispute resolution procedure contemplated by Section 14.4 of this Agreement.

6.6 De Minimis Payment Provisions. Notwithstanding the foregoing, no payments in respect of any indemnification claim shall be required of any Indemnifying Party unless and until the total amount of the indemnification claims payable by such Indemnifying Party has exceeded Twenty-Five Thousand Dollars (\$25,000) in the aggregate, exclusive of the Indemnified Party's attorneys' fees, after which, however, all such indemnification claims, including those included in the de minimus calculation, shall be subject to payment as provided herein.

6.7 Limitation of Liability. Notwithstanding the provisions of this Article 6, except in the case of fraud, or to the extent included in a third party indemnification claim that is subject to Sections 6.1 or 6.2, neither Party shall be liable to the other for any incidental, indirect, or consequential damages arising out of the performance or breach of this Agreement.

6.8 No Waiver of Immunities. Nothing in this Agreement shall constitute a waiver or diminution by the Joining Members, the MRC or the Company of any immunities or statutory limitations on liability.

6.9 Assignment. The Indemnified Party shall assign to the Indemnifying Party all claims it may have that arise in connection with claims indemnified by the Indemnifying Party.

7. CONFIDENTIALITY

7.1 Confidentiality. The Parties each agree to keep confidential all Confidential Information of the others except that each may disclose such information to its officers, directors, members, managers, agents, employees and outside legal counsel, accountants and other consultants to the extent required in connection with negotiation or implementation of this Agreement. Each agrees to take reasonable steps to safeguard the confidentiality of any such limited disclosure.

7.2 Use of Confidential Information. The Parties each agree that it will not use any Confidential Information obtained from the others for any purpose other than in connection with this Agreement.

7.3 Required Disclosures. Notwithstanding the foregoing, each Party may disclose Confidential Information to the extent that it reasonably believes that it is required to do so by Law, provided that, prior to making such a disclosure, the disclosing party will provide notice to the non-disclosing party of its intended disclosure in a time and manner calculated, to the extent practicable under the circumstances, to afford the non-disclosing party an opportunity to challenge such disclosure.

7.4 Public Document. The Parties acknowledge that this Agreement, the

Development Agreement, the Joinder Agreement and the Site Lease are public documents and shall not be deemed to constitute Confidential Information.

8. ASSIGNMENT

8.1 Acknowledgement of Assignment. The MRC hereby acknowledges and consents to the assignment by Fiberight to Coastal Resources of Fiberight's rights under this Agreement and the Development Agreement and to the assumption by Coastal Resources of the obligations of Fiberight hereunder and thereunder, and the MRC further acknowledges that, as a consequence of such assignment, Coastal Resources, rather than Fiberight, will be the Tenant under the Site Lease. Such acknowledgement and consent, however, shall not be deemed to release Fiberight from its obligations hereunder or under the Development Agreement, and (i) Fiberight shall remain jointly and severally liable for all obligations of the Company under this Agreement, the Development Agreement and the Site Lease, and (ii) Fiberight shall remain obligated to make available to the Company pertinent intellectual property and technical support, all as necessary to operate the Project as contemplated by this Agreement, the Development Agreement and the Site Lease. Except as otherwise specifically provided herein, no Party may otherwise assign its rights or delegate its obligations under this Agreement, including without limitation, any transfer by operation of law, in any manner whatsoever without the prior written consent of the other Parties, the giving of which shall not unreasonably be withheld, delayed or conditioned. Any attempt at any such assignment, transfer, or sale without the consent of the other Parties shall be void and of no effect, and shall, at the option of the other Party, terminate this Agreement.

8.2 Assignment by the MRC. Notwithstanding the provisions of Section 8.1, the MRC may, upon prior notice to, but without the prior written consent of, the Company, assign its rights under this Agreement to a successor entity formed for the purpose of providing for the disposal of MSW by the Joining Members, provided that such assignee assumes all obligations of the MRC under this Agreement. Any other attempt by the MRC to assign, transfer, or pledge this Agreement, whether in whole or in part, to any person without the prior written consent of the MRC shall be null and void.

8.3 Assignment by the Company. Notwithstanding the provisions of Section 8.1, the Company shall have the right to assign its rights under this Agreement, upon prior notice to the MRC, but without the MRC's prior written consent (i) to an Affiliate that is directly controlled by the Company (a "Related Entity"), or (ii) to an investor or a special purpose entity that will own and operate the Facility in connection with financing for the Facility; provided that in the case of any such permitted assignment, (a) the transferee has demonstrated to the reasonable satisfaction of the MRC its financial capability, including access to committed funds, and technical capacity sufficient to complete development and construction of the Project and to operate the Facility during the term of this Agreement, (b) unless the MRC shall otherwise agree in writing, either Fiberight or Coastal Resources shall continue to have day-to-day control of and responsibility for operations and the Facility, (c) the person(s) with day-to-day management responsibility for and that provide(s) day-to-day operational services to the Facility following such assignment shall have been approved in writing by the MRC, which approval shall not be unreasonably withheld, conditioned or delayed, (d) unless the MRC otherwise agrees in writing, the Company shall have confirmed to the MRC in writing that both the Company and any

assignee will remain jointly and severally liable for all obligations of the assignee hereunder; (e) such transfer shall not adversely affect the continued validity of the Facility Permits and, subsequent to such transfer, each such permit shall remain in effect or the transferee shall have acquired in its name equivalent permits necessary to the development, construction and operation of the Project. Any other attempt by the Company to assign, transfer, or pledge this Agreement, whether in whole or in part, to any person without the prior written consent the MRC shall be null and void.

8.4 Assignment Related to Financings. Notwithstanding the provisions of Section 8.1 and in addition to the assignments permitted by Section 8.3, the Company shall have the right to assign this Agreement to any Lender in connection with financings related to the Facility without MRC's prior written consent. In addition, MRC hereby agrees to execute any and all agreements, certificates or other documents (including any necessary consent to assignment) in form and content reasonably acceptable to the MRC that the assignee in question with respect to any financing may request in order to effectuate and evidence the intent of this Section.

9. REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of Fiberight and the Company. Each of Fiberight and the Company hereby represents and warrants to the MRC, individually as to itself and not jointly and severally, as follows:

(i) Organization and Good Standing. It is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and possesses the power and authority to own, lease and operate the Facility as contemplated by this Agreement and to otherwise fulfill its obligations hereunder. It is duly qualified to conduct business and is in good standing in the State of Maine.

(ii) Authority. The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of its certificate of organization or operating agreement. This Agreement constitutes its legal, valid and binding obligation and is enforceable in accordance with its terms. Execution and delivery of this Agreement by it and the performance by it of its obligations hereunder does not and will not (a) conflict with or result in a violation, breach or termination of, or default under (or result in such a conflict, violation, breach, termination or default with the giving of notice or passage of time) any term or provision of any agreement, instrument, order, judgment or decree to which it is a party or by which it is bound; (b) violate any statute, rule, regulation or ordinance of any governmental authority, or; (c) result in the imposition of any lien, encumbrance, charge or claim upon the Facility. It has full power and authority to carry out its obligations under this Agreement without the consent of any other person or entity.

(iii) Legal Matters. To the best of its knowledge, there is no proposed, pending or threatened change in any law, code, ordinance or standard that would adversely affect the Facility or its operation substantially in the manner contemplated by this Agreement. There is no pending or, to the best of its knowledge, proposed or threatened legal proceeding or other action

affecting it which could have a material and adverse effect on its ability to fulfill its obligations under this Agreement or to operate the Facility.

(iv) Intellectual Property Rights. It possesses all intellectual property rights necessary for it to own and operate the Facility as contemplated by this Agreement. It is not infringing upon any trademark, service mark, trade name, domain name, trade secret, patent, copyright, or other intellectual property or contractual rights of any other person, nor is it unlawfully using any confidential information, inventions, know-how, trade secrets, customer lists or other intellectual property of others, nor is it aware of any infringement by others of any such intellectual property rights.

9.2 Representations and Warranties of the MRC. The MRC hereby represents and warrants to the Company as follows:

(i) Organization and Good Standing. The MRC is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Maine and possesses the power and authority to carry out its obligations under this Agreement. The MRC is duly qualified to conduct business and is in good standing in the State of Maine.

(ii) Authority. The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the articles of incorporation or bylaws of the MRC. This Agreement constitutes a legal, valid and binding obligation of the MRC and is enforceable in accordance with its terms. Execution and delivery of this Agreement by the MRC and the performance by it of its obligations hereunder does not and will not (a) conflict with or result in a violation, breach or termination of, or default under (or result in such a conflict, violation, breach, termination or default with the giving of notice or passage of time) any term or provision of any agreement, instrument, order, judgment or decree to which the MRC is a party or by which it is bound; (b) violate any statute, rule, regulation or ordinance of any governmental authority; or (c) result in the imposition of any lien, encumbrance, charge or claim upon the Facility. The MRC has full power and authority to carry out its obligations under this Agreement without the consent of any other person or entity.

(iii) Legal Matters. To the best knowledge of the MRC, there is no proposed, pending or threatened change in any law, code, ordinance or standard that would adversely affect the Facility or its operation substantially in the manner contemplated by this Agreement. There is no pending or, to the best knowledge of the MRC, proposed or threatened legal proceeding or other action affecting the MRC that could have a material and adverse effect on its ability to fulfill its obligations under this Agreement.

(iv) Joinder Agreements. (a) As of the Effective Date, 83 municipalities or municipal associations representing 115 municipalities, as listed on Exhibit B-1, have become Joining Members; (b) Each Joining Member has executed a Joinder Agreement identical in all material respects to the form attached as Exhibit C, a true and correct copy of which has been provided to Coastal Resources; (c) each Joinder Agreement has been duly authorized and validly executed by the applicable Joining Member and constitutes its obligation, binding on it in accordance with its terms; and (d) the Estimated Delivery Amount specified in each Joinder Agreement represents a reasonable and realistic estimate of such Joining Member's expected annual deliveries of MSW.

10. DEFAULT; TERMINATION; REMEDIES

10.1 Company Event of Default. Except to the extent excused by a Force Majeure or action of the MRC or a Joining Member contrary to the terms of this Agreement or a Joinder Agreement, as the case may be, each of the following shall constitute an Event of Default as to the Company:

(i) The Company shall have failed to fulfill its material obligations under this Agreement or the Site Lease and such failure has not been cured within the longer of (a) thirty (30) days following receipt of written notice from the MRC specifying that a particular material default exists, or (b) any otherwise applicable cure period.

(ii) The Company or any permitted assignee shall (a) file, or have filed against it a petition which is not dismissed within sixty (60) days, in bankruptcy, reorganization or similar proceedings under, or shall be adjudicated a bankrupt under, the bankruptcy laws of the United States, (b) have a receiver, permanent or temporary, appointed by a court of competent authority for it or on its behalf which is not dismissed within sixty (60) days, (c) request the appointment of a receiver, (d) make a general assignment for the benefit of creditors, or (e) shall have its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) days.

(iii) The Company or any permitted assignee shall dissolve or liquidate.

(iv) The Company fails to make any undisputed payment due hereunder within thirty (30) days after the same is due and notice of non-payment has been provided.

(v) The Company abandons the Facility after achieving the Commercial Operation Date as evidenced by its failure to operate, maintain or perform significant work on restoration to service on the Facility for a continuous period of sixty (60) days.

(vi) The Company or the Facility is in violation of (a) any applicable Law which violation has caused, or is reasonably likely to cause, a material adverse effect on the MRC, any Joining Member or the Facility, or (b) any material condition of any permit or license necessary in order to operate the Facility, and the Company has failed to cure such default within a period of forty-five (45) days thereafter or, if the default is of a such a nature that it cannot reasonably be cured within forty-five (45) days, the Company has failed to commence to cure the default within such forty-five (45) days and fails thereafter to prosecute such cure to completion with diligence and, in any event, to cure such default within one hundred eighty (180) days.

10.2 MRC Event of Default. Except to the extent excused by a Force Majeure or action of the Company contrary to the terms of this Agreement, each of the following shall constitute an Event of Default as to the MRC:

(i) The MRC shall have failed to fulfill its material obligations under this Agreement or the Site Lease and such failure has not been cured within the longer of (a) thirty

(30) days following receipt of written notice from Company specifying that a particular material default exists, or (b) any otherwise applicable cure period.

(ii) The MRC or any permitted assignee shall (a) file, or have filed against it a petition which is not dismissed within sixty (60) days, in bankruptcy, reorganization or similar proceedings under, or shall be adjudicated a bankrupt under, the bankruptcy laws of the United States, (b) have a receiver, permanent or temporary, appointed by a court of competent authority for it or on its behalf which is not dismissed within sixty (60) days, (c) request the appointment of a receiver, (d) make a general assignment for the benefit of creditors, or (e) shall have its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) days.

(iii) The MRC or any permitted assignee shall dissolve or liquidate.

(iv) The MRC or any Joining Member fails to make any undisputed payment due hereunder within thirty (30) days after the same is due and, in the case of a failure to pay by a Joining Member, the MRC has not cured or caused to be cured such default within sixty (60) days following notice to the MRC of non-payment, it being understood and agreed that the MRC shall have the right, but not the obligation, to cure a payment default by a Joining Member and that, if such default remains uncured, the Company may refuse to accept MSW from the Joining Member that has failed to make required payments.

10.3 Limitation on Cure Period. Notwithstanding any other provision of this Agreement, in the event that a Party shall have materially breached a material provision hereof and shall have relied upon a cure period in order to avoid termination under the provisions of this Article 10, such party shall not, within a period of two (2) years from the date of the initial breach, be entitled to the benefit of a cure period with respect to a subsequent breach of the same provision.

10.4 Failure to Achieve Commercial Operation Date. Irrespective of whether an Event of Default has occurred, if the Commercial Operation Date shall not occur prior to January 1, 2020, as extended by any Excused Delay Period occurring after the Financial Close, this Agreement shall terminate automatically unless the Parties affirmatively agree, in writing, to extend the Agreement to a date certain to provide additional time for the Company to achieve the Commercial Operation Date.

10.5 Remedies. Unless otherwise provided by Law, any right or remedy provided for herein shall not be considered as the exclusive right or remedy of the non-defaulting Party, and such right or remedy shall be considered to be in addition to any other right or remedy allowed by Law.

10.6 Joining Members as Third Party Beneficiaries. Each Joining Member shall be deemed a third party beneficiary of this Agreement and shall be entitled to enforce the obligations of the Company hereunder. The exercise by any Joining Member of its right to enforce this Agreement shall in no way abrogate the right of the MRC to enforce the obligations of the Company directly.

10.7. Event of Default by Fiberright. If Fiberright materially breaches this Agreement,

the sole remedy of MRC or any Joining Member shall be against Fiberight. In no event shall a breach of this Agreement by Fiberight, in and of itself, give rise to any recourse against the Company or the Facility or to any termination or impairment of the rights of the Company under this Agreement or the Site Lease.

11. TERMINATION

This Agreement may be terminated (i) prior to Financial Close by mutual agreement of the Parties; or (ii) unilaterally at the option of a Party if an Event of Default has occurred, notice of intent to terminate has been provided, and the Event of Default is continuing with respect to another Party and has not been cured within any applicable cure period; or (iii) in accordance with Section 13.

12. INVESTOR AND LENDER RIGHTS

12.1 Investor and Lender Rights. Upon and during the continuance of an Event of Default by the Company, any Investor or Lender shall have the right, in each case with notice to the MRC and subject to the provisions of this Agreement, to: (i) do or cause to be done any act or thing allowed or required under this Agreement to be performed or caused to be performed by the Company, and any such act or thing done by such Investor or Lender shall have the effect of having been done by the Company; or (ii) subject to Section 12.2 below, succeed to the Company's interest in this Agreement. In no event shall the granting of such rights to an Investor or Lender, or the exercise by the Investor or Lender thereof, operate to make the Investor or Lender liable for any covenants or agreements of the Company under this Agreement, unless, and then only to the extent that, the Investor shall succeed to the rights of the Company hereunder.

12.2 Conditions to Exercise of Rights. As condition to the right of any Investor or Lender to acquire the Company's interests hereunder, such Investor shall (i) provide evidence reasonably satisfactory to the MRC and the Maine Department of Environmental Protection that it has the financial capacity and technical ability to assume the obligations of the Company hereunder and to operate the Facility; and (ii) accept in writing, and shall without further action thereafter be subject to, the terms and conditions of this Agreement and the Site Lease and shall be required to cure any defaults or breaches of the Company hereunder in accordance with the terms hereof.

12.3 Notice Regarding Default. Simultaneously with the giving of notice to the Company of any process in any action or proceeding brought to terminate or otherwise in any way affect this Agreement, or any notice of (i) an Event of Default, or (ii) a matter on which an Event of Default may later be predicated or claimed, (iii) a termination hereof, or (iv) a condition which if continued may lead to a termination hereof, if requested in writing by the Company, the MRC shall give duplicate copies thereof to each Investor and Lender as to which the Company provides such request at such address as the Company may direct.

13. FORCE MAJEURE

13.1 Change in Law. The MRC shall notify the Company, and the Company shall notify the MRC, in writing, promptly as soon as either party has knowledge of any action of the federal government, state legislature, state administrative or regulatory authority, court of applicable jurisdiction, or any other governmental body that could reasonably be expected to lead to the occurrence of a Change in Law. MRC and Company shall use reasonable efforts to cooperate to avoid any such action and to mitigate its potential impact on the obligations set forth in this Agreement or in the Site Lease.

13.2 Suspension of obligations. If either the Company or the MRC is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, it shall provide to the other as soon as possible after the occurrence of the cause relied on a notice of Force Majeure which shall include a reasonably full description of the particulars of such Force Majeure. In such event, the obligations of the Party giving such notice, other than the obligation to make any payment due hereunder, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period provided that:

(a) the burden of establishing whether an event of Force Majeure has occurred shall be upon the Party claiming its existence;

(b) the nonperforming Party shall exercise all reasonable efforts to continue to perform its obligations hereunder, to mitigate the impact of non-compliance, to claim and diligently seek to collect any insurance proceeds potentially available as a consequence of the Force Majeure, and the other Party shall cooperate fully with and be supportive of such efforts;

(c) no obligation of the nonperforming Party that arose prior to the occurrence of the event of Force Majeure shall be excused as a result of such occurrence except to the extent that the nonperforming Party is prevented from performing such obligation as a result of the Force Majeure event.

(d) the nonperforming Party shall provide the other Party with prompt notice of the cessation of the event of Force Majeure.

13.3 Force Majeure Plan. As soon as feasible after providing notice that a Force Majeure has occurred, the affected Party shall provide to the other Party a plan (the "Force Majeure Plan") in a format that satisfies parallel provisions under the Site Lease and that contains sufficient information regarding the following:

(a) potential impacts of the Force Majeure on performance of obligations under this Agreement, including ability to accept and process Acceptable Waste at the Facility and to manage handling and transportation of Bypass;

(b) measures required to address the Force Majeure; the ability to meet performance obligations after such measures are implemented; and any reduce level of performance or ongoing level of obligation that cannot be fully mitigated or addressed.

(c) costs to be passed through to the MRC and/or Joining Municipalities as part of the proposed response to address the Force Majeure, which might involve one-time payments, an increase in the Tip Fee under this Agreement and the Joinder Agreements, revision of the Rebate formula, or other changes to payment provisions under this Agreement or the Site Lease.

The Party receiving the Force Majeure Plan shall review it with all deliberate speed and shall, if the receiving party is the MRC, inform the Joining Members and afford them an opportunity to be heard, and shall negotiate in good faith with the proposing Party whether to accept, accept a modified version of, accept subject to dispute, or not accept such Force Majeure Plan.

13.4 Acceptance of Force Majeure Plan. In the event that the Force Majeure Plan is accepted, the proposing Party shall proceed to implement the Force Majeure Plan in the form accepted. In the event that (i) the MRC and the Company cannot reach agreement on a Force Majeure Plan, the Company shall proceed to implement the Force Majeure Plan as anticipated therein and the dispute shall be resolved in accordance with Section 14.4.

13.5 Invalidation of Flow Control Ordinance. In the case of invalidation of a flow control ordinance:

(i) As mitigation of the potential impacts of such invalidation, the MRC shall work with the affected Joining Members to (a) seek a stay of, and pursue to the extent reasonable an appeal of, such invalidation; (b) act expeditiously to institute a lawful and economically feasible program to encourage commercial haulers and waste generators located within the borders of such Joining Member to direct Acceptable Waste under their control to the Facility; and (c) seek to cause the governing authority of such Joining Member to act on a timely basis to amend its existing flow control ordinance, or enact a new or modified or replacement ordinance, that would to the extent possible remedy the provision or condition that led to the invalidation of the original ordinance.

13.6 Early Termination Upon Force Majeure. In the event that (i) the MRC and the Company cannot reach agreement on a Force Majeure Plan that was proposed by the Company or (ii) the Force Majeure has resulted in a material breach of this Agreement that cannot be cured, then, after 90 days from the receipt of the original Force Majeure Plan, either party can terminate this Agreement, provided that the party simultaneously terminates the Site Lease in accordance with its terms.

13.7 Compliance with Law. Nothing in this article shall relieve the Company from its obligation to comply in all material respects with any law or regulation or other lawful order.

14. OTHER PROVISIONS

14.1 Regulatory Compliance. The Company shall, and shall cause its agents and contractors to, at all times operate the Facility and conduct their respective businesses in compliance with Law. In the event that any Change in Law should cause a term of this Agreement to become financially impracticable or illegal, it shall be treated as a Force Majeure, and the Parties shall make a good faith effort to modify the Agreement to make it financially

practicable and legal and to restore the relative positions of the Parties to the balance that obtained prior to the effectiveness of such Change in Law. If such modification of this Agreement cannot be agreed upon, this Agreement may be terminated by either Party in accordance with Section 13.6.

14.2 Relationship of Parties. Nothing in this Agreement is intended or should be construed in any manner as creating or establishing a partnership or joint venture between the Parties. No Party shall have the authority to contractually bind another Party. The Company is to be and shall remain an independent contractor with respect to all services performed under this Agreement. No employees or agents of one Party shall be deemed the employees or agents of another Party for any purpose.

14.3 Waiver. The failure of a Party to take action with respect to any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant, or condition. Any waiver by a Party of any breach of any term, covenant, or condition contained in this Agreement shall be effective only if in writing and shall not be deemed to be a waiver of any subsequent breach of the same, or of any other term, covenant, or condition contained in this Agreement.

14.4 Dispute Resolution.

(i) Any dispute arising under this Agreement shall be resolved only in accordance with this Section 14.4.

(ii) A dispute shall arise when one Party sends a written notice of dispute by certified mail, express courier or hand delivery to another Party. The Parties shall first attempt to resolve the dispute through informal negotiations in which each Party agrees to participate in good faith.

(iii) If the Parties cannot resolve the dispute informally within fourteen (14) days of such written notice, any Party may submit the dispute to arbitration to be conducted under the commercial arbitration rules of the American Arbitration Association. Arbitration shall be initiated by the serving of a written notice of intent to arbitrate (an "Arbitration Notice") by one Party upon the other. Arbitration proceedings shall be conducted by a single arbitrator to be agreed upon by the Parties that are party to the dispute; provided, however, that if the Parties are unable to agree upon a single arbitrator within ten (10) days from the date of the Arbitration Notice, each Party shall select an arbitrator and the two so named shall name a third arbitrator. The arbitration proceedings shall then be heard by the arbitrator(s) and the decision of the arbitrator, or of a majority if a panel of three has been selected, shall be final and binding on the parties. The arbitrator(s) shall have no authority to add to, detract from, reform or alter in any manner any provision of this Agreement. Judgment upon the arbitration award may be entered in any court of competent jurisdiction. Any Arbitration Notice must be served within two(2) years from the date on which the claim arose, and failure to bring such claim within such two year period shall constitute a waiver of such claim and an absolute bar to further proceedings with respect to it. All arbitration proceedings shall be conducted in Portland, Maine unless the parties otherwise agree in writing. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to preclude a party from seeking temporary or permanent injunctive relief from

a court of competent jurisdiction with respect to any breach of this Agreement. For purposes of this Section 14.4, a claim shall be deemed to have arisen as of the later of (i) the date on which the circumstances forming the basis for the claim first occurred, or (ii) the date upon which such circumstances are discovered or with reasonable diligence should have been discovered.

(iv) Each of the Parties will bear its own costs in connection with any dispute resolution proceeding. The Parties to the dispute shall share equally the cost of any mediator or single arbitrator. If a panel of three arbitrators is appointed, each Party to the dispute shall pay the costs of the arbitrator appointed by it, and the cost of the third arbitrator shall be shared equally.

14.5 Notices. All notices, demands, or other writings provided for in this Agreement shall be deemed to have been fully given or made or sent if in writing and either (i) delivered in person, (ii) sent by recognized overnight courier with acknowledgement of receipt, (iii) sent by certified mail, return receipt requested, or (iv) sent by email, provided a confirmation copy is sent promptly by overnight courier or certified mail, in each case to the following addresses:

If to the MRC: Municipal Review Committee
395 State Street
Ellsworth, ME 04605
Attention: Executive Director
Email: glounder@mrcmaine.org

With a copy to: Eaton Peabody
80 Exchange Street
P.O. Box 1210
Bangor, Maine 04402
Attention: Daniel G. McKay, Esq.
Email: dmckay@eatonpeabody.com

If to the Company
or Fiberight: 1450 South Rolling Road
Baltimore, MD 21227
Attention: Craig Stuart-Paul
Email: craigsp@fiberight.com

With a copy to: Ultra Capital
437 Jackson Street
San Francisco, CA
Attention: Asset Management
Email: notices@ultracapital.com

Either party may change the address at which notices to it are to be delivered by providing notice of such change in the manner provided above.

14.6 Parties Bound. The covenants and conditions contained in this Agreement shall bind the heirs, successors, executors, administrators, and assigns of each of the Parties.

14.7 Time of the Essence. Time is of the essence in this Agreement, and in each and every covenant, term, condition, and provision of this Agreement.

14.8 References. The captions appearing under the section number designations of this Agreement are for convenience only, are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement. Unless the context clearly requires otherwise, references to section numbers and exhibits shall be deemed references to the section numbers and exhibits to this Agreement.

14.9 Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Maine without regard for conflict of law provisions.

14.10 Entire Agreement. This Agreement, together with the Development Agreement and, Site Lease and the Joinder Agreements, shall constitute the entire agreement among the Parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement or in the Development Agreement or Site Lease or Joinder Agreements, as applicable.

14.11 Modification of Agreement. Any modification of this Agreement shall be binding only if such modification is documented in writing and signed by each Party or an authorized representative of each Party.

14.12 Additional Documents. The Parties agree to execute whatever reasonable papers and documents may be necessary to effectuate the terms and intent of this Agreement.

14.13 Severability. The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

14.14 Public Announcements. Public announcement of this Agreement may be made only with the prior written approval of both parties. Each party agrees to work with the other to agree upon an appropriate public announcement of the execution and delivery of this Agreement and of the achievement of milestones thereunder as they occur.

14.15 Partial Contract Year. In the event of a partial Contract Year, all amounts and allocations shall be adjusted appropriately based on the ratio which the number of days in such partial Contract Year bears to the number of days in a full 365 day calendar year.

14.16 Counterparts. This Agreement may be executed in counterparts. A signature transmitted by facsimile, email or other electronic means shall have the effect of an original.

[Signature page follows.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed as a sealed instrument as of the date first above written.

MUNICIPAL REVIEW COMMITTEE

By: Sophia L. Wilson
Name: SOPHIA L. WILSON
Title: TREASURER

FIBERIGHT LLC

By: _____
Name:
Title:

COASTAL RESOURCES OF MAINE LLC

By: Fiberight LLC, Manager

By: _____
Name:
Title:

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed as a sealed instrument as of the date first above written.

MUNICIPAL REVIEW COMMITTEE

By: _____
Name:
Title:

FIBERIGHT LLC

By: 
Name: CRAIG STUART-PAUL
Title: CHIEF EXECUTIVE

COASTAL RESOURCES OF MAINE LLC

By: Fiberight LLC, Manager
By: 
Name: CRAIG STUART-PAUL
Title: CHIEF EXECUTIVE

LIST OF EXHIBITS

- A Definition of Acceptable Waste
- B Delivery Sufficiency Payments
- B-1 Joining Members
- C Form of Joinder Agreement
- D Form of Site Lease
- E Delivery Requirements
- F Rebate Calculations

**EXHIBIT A
TO MASTER WASTE SUPPLY AGREEMENT**

Definition of Acceptable Waste

A. Acceptable Waste means all ordinary household, municipal, institutional, commercial and industrial wastes, refuse, and discarded materials, except for the following, which shall be considered Unacceptable Waste, but excluding *de minimus* amounts of such waste typically found in household waste and in quantities below thresholds for regulatory requirements for separate management:

1. demolition or construction debris from building and roadway projects or locations;
2. liquid wastes or sludges;
3. abandoned or junk vehicles and car parts, but excluding small quantities of tires accepted by agreement with the Company;
4. Hazardous Waste and Flammable Waste;
5. Infectious or Biological Waste, including dead animals or portions thereof or other pathological wastes;
6. water treatment facility residues;
7. tree stumps;
8. tannery sludge;
9. waste oil, lubricants or fuels, including gasoline and propane;
10. discarded "white goods", including bulky items such as washing machines and dryers, and items such as freezers, refrigerators, air conditioners that contain ozone depleting substances such as Chlorofluorocarbons (CFCs) and Hydrochlorofluorocarbons (HCFCs) with common names such as "Freon" and Refrigerants ("R-12").
11. waste which, in the reasonable judgment of COMPANY based on a visual inspection at the time of delivery, could, if processed, result in damage to the Facility, interruption of normal Facility operations or extraordinary processing or maintenance costs, solely by virtue of the physical or chemical properties of such waste.
12. waste that, if delivered to the Landfill as Bridge Capacity Waste or Bypass Waste, is considered Unacceptable Waste under the terms of the agreement between the MRC and the owner or operator of the Landfill.

"Flammable Waste" shall mean waste classified as Class 1 Explosives (49 CFR § 173.50), Class 2.1 Flammable Gas (49 CFR § 173.115(a)), Class 3 Flammable Liquids (49 CFR § 173.12(1)), Class 4 Flammable Solids (49 CFR § 173.124), or Class 5 Oxidizers 49 CFR § 173.127 under Maine Department of Transportation regulations or as flammable, combustible, or explosive under U.S. Department of Labor, Occupational Safety and Health Administration regulations (29 CFR Part 1910 Subpart H), or any waste that is explosive or highly flammable, combustible, or combustion-inducing, whether in liquid, solid or gaseous form and whether contained or uncontained, including but not limited to explosives, fuels, and munitions.

“Hazardous Waste” shall mean waste that, by reason of its composition or characteristic, is toxic or hazardous waste as defined in the Solid Waste Disposal Act, 42 U.S.C 6900 et.seq., or the Resource Conservation and Recovery Act, 42 USC 2 §6903 (5), in either case as replaced, amended, expanded or supplemented, and regulations interpreting such acts, or in 38 M.R.S. §1303-C(15), and regulations interpreting such statute, as any of the foregoing may be amended from time to time and other hazardous wastes of any kind or nature, such as radioactive materials or source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954, as amended, cleaning fluids, crankcase oils, cutting oils, liquid solvents, paints, acids, caustics, poisons, pesticides, insecticides, or drugs but shall not include de minimus amounts of consumer products used for household purposes and typically included in household waste in compliance with applicable law. If any governmental agency or unit having appropriate jurisdiction shall determine that certain chemicals or other substances which are not, as of the date of this Agreement, considered harmful or of a toxic nature or dangerous, are harmful, toxic or dangerous, such chemicals or other substances shall be Hazardous Waste.

“Infectious or Biological Waste” shall mean (i) such waste as defined from time to time by local regulations and ordinances, state or federal law, including county regulations and laws of the State of Maine, as infectious, including, but not limited to, laboratory waste, blood, regulated body fluids, sharps, research animal wastes, and human tissues and body parts removed accidentally or during surgery or autopsy and intended for disposal; and (ii) pathological, biomedical and biological waste; sanitary sewage and other highly diluted water-carried materials or substances including silt, dissolved or suspended solids in industrial waste, water effluents or discharges which are point sources subject to permits under Section 402 of the Federal Water Pollution Act, as amended, and dissolved materials in irrigation return flows; human or animal waste; sludge, including sewage sludge and septic and cesspool pump outs; and human and animal remains.

EXHIBIT B
TO MASTER WASTE SUPPLY AGREEMENT
Delivery Sufficiency Payment

The Delivery Sufficiency Payment shall be the amount payable by the MRC to the Company in the event that the Company provides written notice to the MRC per Section 3.7 hereof that the Delivery Commitment for the immediately preceding Contract Year has not been achieved. The amount of the Delivery Sufficiency Payment shall be determined in accordance with the following formula:

$$\text{Delivery Sufficiency Payment} = (\text{DC} - \text{ACD}) \times (\text{TF}) \times (\text{LRA})$$

where: DC = the Delivery Commitment

ACD = Actual credited deliveries of Acceptable Waste in the Contract Year, in tons, which shall be determined on the basis of actual recorded deliveries of Acceptable Waste to the Facility from Joining Members in the Contract Year as adjusted to account for the factors set forth in Section 3.7 hereof.

TF = the Tipping Fee for Acceptable Waste from Joining Members for the Contract Year in dollars per ton.

LR A= Lost Revenue Adjustment as compensation for failure to deliver the Delivery Commitment, which shall be a factor of 1.25 on the basis that revenues from recovered materials and products are anticipated to be not less than 25 percent of the Tipping Fee on a dollar per ton basis.

EXHIBIT B-1

JOINING MEMBERS

**Exhibit B-1 MRC Joining Members
Estimated Delivery Amounts**

Town	Tons	
Abbott	140	1
Albion	900	2
Alton	290	3
Atkinson	131	4
Bangor	28,000	5
Bar Harbor	5,056	6
Belfast	700	7
Blue Hill/Surry	4,000	8
Boothbay Region	4,500	9
Bradley	400	10
Brewer	5,275	11
Bowerbank	33	12
Brooks	417	13
Brownville	575	14
Bucksport	1,000	15
Burlington	130	16
Carmel	1,150	17

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MASTER WASTE SUPPLY AGREEMENT

Castine	200	18
Cherryfield	478	19
Chester	414	20
China	996	21
Clifton	435	22
Corinna	921	23
County of Arrostook	23	24
County of Piscataquis	34	25
CPSW	2,500	26
Cushing	523	27
Cranberry Isle	50	28
Dedham	350	29
Dexter	2,250	30
Dixmont	153	31
Dover - Foxcroft	2,200	32
Eddington	864	33
Exeter	400	34
Franklin	197	35
Freedom	115	36
Frenchboro	18	37
Friendship	393	38
Garland	215	39

Guilford	1,256	40
Hampden	3,400	41
Hudson	146	42
Holden	966	43
Knox	410	44
Lee	447	45
Levant	1,000	46
Lowell	130	47
Lucerne in ME	301	48
Mariaville	142	49
Mattawamkeag	312	50
Millinocket	2,100	51
Milo	1,300	52
Monson	200	53
Montville	109	54
Mount Desert	1,600	55
NKUSWDD	1,150	56
Oakland	1,750	57
Orono	3,750	58
Otis	186	59
Palmyra	850	60

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MASTER WASTE SUPPLY AGREEMENT

Parkman	150	61
PRSWDD	500	62
Sangerville	623	63
Searsmont	180	64
Sebec	195	65
Sherman	650	66
Sorrento	62	67
Springfield	105	68
<u>St Albans</u>	712	69
Steuban	640	70
Sullivan	125	71
<u>SW Harbor</u>	1,768	72
Swan's Island	130	73
Thorndike	150	74
Tremont	900	75
Trenton	1,240	76
Troy	120	77
Unity	927	78
Union River	375	79
Vasselboro	1,300	80
Verona Island	300	81
Waldoboro		82

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	1,730
Wiscasset	1,700

83

102,513

**EXHIBIT C
TO MASTER WASTE SUPPLY AGREEMENT
FORM OF MUNICIPAL JOINDER AGREEMENT**

[Exhibit Attached to Original]

Municipal Joinder Agreement

This Municipal Joinder Agreement (the "**Joinder Agreement**" or "**Agreement**") is made and executed on this ____ day of _____, 2016 (the "**Effective Date**") by and between the Municipal Review Committee, Inc., a Maine nonprofit corporation with offices at 395 State Street, Ellsworth, Maine 04605 (the "**MRC**") and _____, a [municipality] [solid waste disposal district] [other eligible entity] with offices at _____ ("**Joining Member**").

WHEREAS, the MRC was created and has operated since 1991 to represent its membership, consisting of Maine municipalities and public entities (the "**Charter Municipalities**"), in order to ensure the continuing availability to its members of long-term, reliable, safe and environmentally sound methods of solid waste disposal at a stable and reasonable cost; and

WHEREAS, the MRC is governed by a board of directors each of whom is elected by the membership to a three year term and all of whom represent, at large, all member communities; and

WHEREAS, the Charter Municipalities deliver municipal solid waste ("**MSW**") to the refused-derived fuel facility owned by the Penobscot Energy Recovery Company, L.P. ("**PERC**" or the "**PERC Partnership**") in Orrington, Maine, pursuant to long term waste disposal agreements (collectively, the "**Existing PERC Agreements**"); and

WHEREAS, the Existing PERC Agreements are scheduled to terminate on March 31, 2018; and

WHEREAS, the MRC has long experience reviewing operating financials of the PERC facility and has determined and recommended to the membership that it is not in the economic interest of its members to commit to a long term relationship obligating member communities to continue delivering municipal solid waste to the PERC facility beyond expiration of the current waste disposal agreements; and

WHEREAS, consistent with its mission, the MRC has investigated and developed alternative waste disposal arrangements to be available to its members on or about April 1, 2018, which arrangements would replace the Existing PERC Agreements upon their expiration; and

WHEREAS, Fiberight, LLC ("*Fiberight*" or, together with its successors or assignees, the "*Company*") has developed a technology for processing MSW into various marketable products and has expressed interest in developing a facility utilizing such technology in Maine; and

WHEREAS, the MRC and Fiberight have entered into a Development Agreement dated as of February 4, 2015, setting forth general business terms under which Fiberight proposes to develop, construct, maintain and operate a facility utilizing its technology to accept and process MSW (the "*Facility*"); and

WHEREAS, the MRC proposes to reach agreement with Charter Municipalities and other entities to supply to the Facility , in the aggregate, at least 150,000 tons of MSW per year; and

WHEREAS, the historical role of MRC has been to administer individual waste contracts on behalf of its members in order to provide an efficient and effective means of administering the Existing PERC Agreements and to maintain parity and fair treatment among and for its members; and

WHEREAS, tipping fees for municipal solid waste delivered to the proposed Fiberight Facility will be paid directly by each MRC member to Fiberight; and

WHEREAS, the MRC proposes to continue in its role administering revenue sharing among its members and providing for and managing various reserve funds while insulating each Joining Member from exposure to penalties for failure to deliver minimum quantities of municipal solid waste to the Fiberight Facility; and

WHEREAS, the MRC has acquired an option (the "*Site Option*") to purchase property in Hampden, Maine (the "Site") suitable for development of the Facility; and

WHEREAS, the MRC and Fiberight have negotiated a long-term lease of the Site (the "*Site Lease*") upon which Fiberight proposes to develop, construct, maintain and operate the Facility, such Site Lease to be executed following the anticipated exercise by the MRC of the Site Option and acquisition of the Site; and

WHEREAS, the MRC and Fiberight have executed a Master Waste Supply Agreement dated as of January 1, 2016 that, among other things, establishes a common set of terms and conditions pursuant to which interested Maine municipalities and other public and private

God, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, high-water washouts, and extraordinary storms (but excluding reasonably foreseeable weather conditions); (ii) a strike, work slowdown or similar industrial or labor action not exclusive to the Facility (iii) acts of the public enemy, wars, blockades, insurrections, riots, arrests and restraints by governments, civil disturbances, sabotage, and acts of terrorism or similar occurrences; (iv) catastrophic events such as explosions, breakage or accident to machinery or lines of pipe caused by the foregoing; (v) condemnation or taking by eminent domain of the Property or the Facility, in whole or in part, and (vi) a Change in Law which is not the result of the negligence or willful act of the party relying thereon. Force Majeure shall not include changes in market conditions for the supplies to or products of the Facility, and shall not include changes in the cost of the supplies, materials or labor needed to construct or operate the Facility, or that reduce the profitability of the Facility, unless specifically attributable to a specific Force Majeure event that affects the non-performing party as enumerated above.

"Force Majeure Plan" shall have the meaning set forth in Section 13.3 of the Master Waste Supply Agreement.

"Indemnified Party" shall have the meaning set forth in Section 8.3.

"Indemnifying Party" shall have the meaning set forth in Section 8.3.

"Initial Term" shall have the meaning set forth in Section 2.1.

"Joining Member" means the entity identified in the preamble to this Agreement.

"Master Waste Supply Agreement" means the proposed waste supply agreement between the MRC and Fiberight on substantially the terms set forth in the form of agreement attached to this Agreement as **Exhibit A**.

"MRC Board" shall mean the Board of Directors of the MRC as it may be constituted by vote of its members from time to time.

"New Charter Municipalities" shall mean those Charter Municipalities that are not Equity Charter Municipalities.

"Non-Charter Municipalities" shall mean Joining Members who were not Charter Municipalities.

"Operating Funds" shall mean the Operating Fund and an Operating Budget Stabilization Fund currently administered by the MRC.

"Party" shall mean a party to this Agreement and "Parties" shall mean both parties to this Agreement.

"Target Value Reserve Fund" shall mean the reserve fund established pursuant to paragraph 2 of Exhibit B of this Agreement.

"Term" shall mean the term of this Joinder Agreement as provided in Article 2.

"Tip Fee Stabilization Fund" shall mean the reserve fund currently maintained by the MRC for the benefit of the Charter Municipalities which is to be administered as provided in Exhibit B.

"Unacceptable Waste" shall have the meaning set forth in Exhibit A to the Master Waste Supply Agreement.

ARTICLE 2

TERM

2.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall continue through the later of April 1, 2033, or the fifteenth (15th) anniversary of the Commercial Operation Date (the "*Initial Term*") unless terminated in accordance with the terms hereunder. Subject to the limitations in Section 2.2 below, the Joining Member shall have the right to extend the Agreement for up to five (5) consecutive periods of five (5) years each (each an "*Extension Term*," and together with the Initial Term, the "*Term*") by written notice to the MRC exercising such right to an Extension Term, which notice must be provided by the Joining Member no later than twelve (12) months prior to the expiration of the then current Term. Upon timely exercise of each right to extend, the Term shall be automatically extended, provided that there is no then existing Event of Default under this Agreement on the part of the Joining Member at either the time of the exercise of the right to extend the Term or the commencement of the applicable Extension Term.

2.2 Right to Terminate. Notwithstanding receipt of a notice from Joining Member exercising a right to an Extension Term, the MRC shall have the right at the end of the Initial Term or any applicable Extension Term, to terminate this Agreement by written notice to the Joining Member, which notice shall be given not later than nine (9) months prior to the expiration of the then current Term. Such notice of termination shall not be valid unless the MRC is simultaneously providing valid notices of termination to all Joining Members.

ARTICLE 3
DELIVERY OF WASTE

3.1 Delivery. Joining Member hereby agrees to become a Joining Member of the MRC, as defined in the Master Waste Supply Agreement. Except as otherwise provided in Section 6.2 of this Agreement, beginning on the Commercial Operation Date and continuing through the Term of this Agreement, Joining Member shall deliver, or cause to be delivered, to the Facility under the Master Waste Supply Agreement on an exclusive basis all Acceptable Waste generated within its borders the collection and disposition of which is under its control. Joining Member (a) shall comply with the conditions of delivery set forth in Exhibit E of the Master Waste Supply Agreement; and (b) shall not deliver, or cause to be delivered, Unacceptable Waste. For purposes of this Agreement, Acceptable Waste shall be deemed to be under the control of Joining Member if it is collected and delivered directly by Joining Member, its employees or agents, or by a hauler under contract and at the direction of Joining Member.

3.2 Diversion of Waste. Joining Member understands and agrees that violation of its obligation to deliver Acceptable Waste to the Facility on an exclusive basis could have a material adverse effect on the financial performance of the Facility and/or on the Joining Members. Notwithstanding the foregoing, (i) Joining Member shall not be required to institute flow control or implement other measures to the extent that, in its good faith opinion, such measures would constitute a violation of Law; and (ii) Joining Member shall have the right to establish, continue, expand or discontinue, at Joining Member's sole option, existing or future programs intended to encourage reduction, reuse or recycling of MSW generated within its borders, subject to the requirements of Section 3.4, and such activity shall not be deemed a violation of the delivery requirements imposed by this Agreement and shall not subject Joining Member to a Delivery Diversion Charge.

Joining Member agrees that, to the extent that Acceptable Waste under its control is diverted to facilities other than the Facility for reasons other than those permitted hereunder, Joining Member shall pay to the MRC, upon receipt of an invoice, a Delivery Diversion Charge to be deposited into the Delivery Assessment Reserve Fund to be established pursuant to Section 3.3(c) for the benefit of all Joining Members that are Charter Municipalities in the amount of the sum of (a) the product of the diverted tons of Acceptable Waste and the Tipping Fee that would have been paid in respect of the diverted tons had they been delivered to the Facility; plus (b) Joining Member's share of any penalty billed to MRC by the Company as a consequence of such diversion. Provided that Joining Member pays in full when due all Delivery Diversion

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Charges imposed hereunder, the diversion of Acceptable Waste forming the basis for such charges shall not be deemed to constitute a breach by Joining Member of its obligations under this Agreement.

3.3 Aggregate Delivery Requirements.

(a) The MRC and Joining Member acknowledge that, under the terms of the Master Waste Supply Agreement, the MRC has committed to cause not less than 150,000 tons of Acceptable Waste per Contract Year to be delivered to the Facility by or on behalf of all Joining Members as a group, and that, in order to support the financing of the Facility, the Master Waste Supply Agreement provides that the MRC shall in certain circumstances be liable for Delivery Sufficiency Payments in the event that the MRC minimum delivery requirement is not met. Joining Members shall not have direct responsibility for payment of any Delivery Sufficiency Payments assessed by the Company against the MRC or otherwise.

(b) Joining Member, after consultation with the MRC and consistent with such guidelines as may be established from time to time by the MRC, has agreed that it is reasonable to estimate that its annual deliveries to the Facility will be at least _____ tons of Acceptable Waste per Contract Year (the "*Estimated Delivery Amount*"), which will be its estimated annual contribution to the aggregate delivery requirement of the MRC. For purposes of determining the Estimated Delivery Amount for Joining Member, recyclable materials derived from any Single Stream Recycling Program that Joining Member delivered under Section 5.2 of the Master Waste Supply Agreement shall not be included in determining whether the Delivery Commitment has been met. Joining Member agrees to the foregoing Estimated Delivery Amount and acknowledges that it is reasonable in light of current circumstances and historical MSW deliveries by the Joining Member to PERC (and/or such other waste disposal facility as may have been utilized by Joining Member), forecasted changes in MSW generation (net of anticipated waste reduction efforts), delivery patterns, diversion, and management through methods permitted by this Agreement or not under the control of Joining Member. Joining Member and the MRC shall review this commitment either (a) at the written request of either party, such request to be made no more frequently than every five years; or (b) for good cause shown, any such request to be made not less than sixty (60) days prior to the end of the then current calendar year, and the Estimated Delivery Amount of the Joining Member shall be adjusted, as appropriate, to reflect then current circumstances.

(c) The MRC intends to set aside funds in a reserve fund (the "*Delivery Assessment Reserve Fund*"). The Delivery Assessment Reserve Fund shall be managed by the MRC for the

assessment may, at the option of the MRC, be either collected directly from Joining Members or offset against rebates otherwise payable to Joining Members, and the MRC shall apply the proceeds of such assessments directly to the payment of the Delivery Sufficiency Payment.

(e) Upon termination of this Agreement, and after payment of reasonable expenses attendant to termination, any balance remaining in the Delivery Assessment Reserve Fund shall be returned to Joining Members as provided in **Exhibit B** to this Agreement.

3.4 Changes in Waste Delivery Patterns.

(a) Subject to subparagraph (b) below, if a Joining Member proposes to alter the scope of its responsibility for collection, transfer and transportation of MSW originating within its borders, it shall provide to the MRC not less than sixty (60) days notice of such proposed change and shall consult with the MRC with regard to such change prior to any implementation. The MRC will advise the Joining Member regarding contract compliance impacts to the Joining Member and all other Joining Members resulting from implementation of any such planned changes in the scope of its responsibility.

(b) In recognition of the importance of organic waste delivered to the Fibrighr Facility, as of the Effective Date, Joining Member shall not, (i) without first providing to the MRC not less than sixty (60) days notice of such proposed change and consulting with the MRC with regard to such change prior to any implementation, and (ii) without the prior consent of the Company, initiate new programs, or significantly and materially expand existing programs, to divert organic components from MSW for management through facilities or programs other than the Facility, but may continue to operate existing programs substantially as operated as of the Effective Date. Notwithstanding the foregoing, Joining Member may institute "pay as you throw" or similar waste reduction programs at its discretion without prior approval from the MRC so long as all MSW generated within its borders and under its control continues to be delivered to the Facility.

3.5 Unacceptable Waste. Joining Member shall not deliver Unacceptable Waste to the Facility and shall use reasonable efforts to offer residents local options for disposal of household hazardous waste. Joining Member shall pay its full cost for, and shall indemnify and hold harmless the Company and the MRC and the members, directors, officers and agents or each, from and against any liability, claim or damage arising from delivery of Unacceptable Waste to the Facility by or on behalf of Joining Member. The MRC agrees that it will, upon request, provide advice and guidance consistent with the MRC's historical practice to Joining

Member in connection with any claims made against it pertaining to delivery of Unacceptable Waste to the Facility.

3.6 Compliance By Haulers. To the extent that Joining Member contracts with independent hauler or haulers to deliver MSW to the Facility, Joining Member shall be responsible for ensuring that all such haulers comply with the delivery requirements set forth in this Agreement including, but not limited to, the requirement that all MSW generated within the borders of Joining Member the collection and disposal of which is under its control be delivered to the Facility or to the Back-up Facility as contemplated by Section 6.2(d).

ARTICLE 4 TIPPING FEES AND REBATES

4.1 Tipping Fees. Joining Member agrees to pay tipping fees for Acceptable Waste and other wastes delivered and credited to its account in the amount of \$70.00 per ton, subject to annual increase equal to the amount of annual increase in the CPI, as provided in the Master Waste Supply Agreement. Joining Member specifically acknowledges that, if it fails to pay tipping fees on a timely basis, it may be precluded from delivering Acceptable Waste to the Facility or the Back-up Facility under this Agreement. The MRC shall review and accept or dispute tipping fee calculations provided by the Company and used to determine amounts due from Joining Member. Joining Member may make separate arrangements to bring materials collected through Single Stream Recycling programs to the Facility and to pay tipping fees directly to Company for such deliveries.

4.2 Invoicing. Joining Member will receive an invoice directly from the Company on a weekly basis within five (5) days of the end of each calendar week setting forth the number of tons of material delivered by or on behalf of Joining Member and accepted at the Facility during the preceding week and the tip fee due in respect of such deliveries. The amount due shall be equal to the then applicable Tipping Fee multiplied by the number of tons (rounded to the nearest twenty pounds) delivered by the Joining Member to the Facility during such calendar week. Joining Member shall pay all such invoices directly to the Company within thirty (30) days of receipt unless the calculation thereof has been challenged by the MRC.

4.3 Rebates.

(a) Joining Member hereby authorizes the MRC to manage on its behalf rebates derived from revenue sharing in the Fiberright Project and payable to the MRC as provided under

the Master Waste Supply Agreement. Without limiting the generality of the foregoing, Joining Member acknowledges that the MRC shall direct disposition of rebates received from the Company in such manner as the MRC may determine to be in the best interests of the Joining Members as a group. Without limiting the generality of the foregoing, the MRC is specifically authorized to offset against rebates otherwise payable to Joining Member (i) any Delivery Diversion Charges against Joining Member; (ii) amounts designated by the MRC to be deposited in the Delivery Assessment Reserve Fund; (iii) any special assessment determined by the MRC to be necessary to cover otherwise unfunded liability for payment of shortfall penalties; (iv) other costs attributable to failure of Joining Member to comply with this Agreement as determined by the MRC; and (v) costs occasioned by the delivery by or on behalf of Joining Member of Unacceptable Waste. The MRC shall provide to all Joining Members a quarterly report summarizing all rebate offsets applied during the preceding calendar quarter.

(b) The Company shall calculate rebates due all Joining Members on a quarterly basis as provided in the Master Waste Supply Agreement and shall forward its calculation to the MRC which shall make such calculation available to all Joining Members. The MRC shall review and accept or dispute the calculation of rebates due, and for that purpose shall review and consider in good faith any dispute of such calculation communicated to it by Joining Member, and shall inform Joining Member and the Company of its action.

(c) The Company shall pay rebates for all Joining Members directly to the MRC which shall, after reserving such funds as the MRC may deem appropriate, pay to each class of Joining Member its allocable share of remaining distributable proceeds based on actual Acceptable Waste delivered to the Facility and in the manner set forth in Exhibit F of the Master Waste Supply Agreement.

(d) Notwithstanding any other provision of this Agreement, in addition to the additional tipping fees contemplated by paragraph 6 of **Exhibit B**, unless the MRC Board of Directors determines otherwise for good cause shown, no Non-Charter Municipality or Departing Municipality that subsequently is re-admitted to membership in the MRC shall be entitled to any rebate payments during the Initial Term.

4.4 Amendment of Tipping Fee. The Tipping Fee is governed by both this Article 4 and by Section 5.1 of the Master Waste Supply Agreement. The MRC hereby acknowledges that, except in cases of Force Majeure or actions of the Joining Member or the MRC contrary to the terms of this Agreement or the Master Waste Supply Agreement, it cannot agree to amendments to the Tipping Fee that might be proposed by the Company unless Joining Member explicitly authorizes the MRC to amend the

Tipping Fee by amending this Joinder Agreement. In the event that the Company provides a formal proposal for amendment of the Tipping Fee that the MRC agrees is reasonable and necessary for the Company to continue operation of the Facility on a sustainable basis, the MRC will facilitate presentation by the Company of such proposed amendment to Joining Member for its consideration, and Joining Member agrees to consider such amendment in good faith.

ARTICLE 5 AUTHORIZATION TO ACT FOR JOINING MEMBER

5.1 Contract Management and Authorization to Act. Joining Member explicitly acknowledges that it is one of a group of municipal and quasi-municipal entities that have become Joining Members for the purpose of collectively managing disposal of MSW under the auspices of the MRC for the benefit of all Joining Members. In addition to administering the provisions of this Agreement, the Master Waste Supply Agreement and the Site Lease, the MRC shall serve as an advocate for and advisor to the Joining Members in furtherance of its mission of ensuring the continuing availability to its members of long term, reliable, safe and environmentally sound methods of solid waste disposal at stable and reasonable cost. In order to accomplish these objectives in an efficient and effective manner, it hereby authorizes the MRC to work with all Joining Members to manage the disposal of MSW pursuant to this Agreement and the Master Waste Supply Agreement. Without limiting the generality of the foregoing, and subject to the provisions of the MRC's Articles of Incorporation and Bylaws and of Maine law, in each case as in effect from time to time, Joining Member hereby authorizes the MRC to act in its behalf (a) to ensure that the Company complies with all of its obligations and covenants to or for the benefit of the Joining Members and the MRC set forth in this Agreement, the Development Agreement, the Master Waste Supply Agreement and the Site Lease; (b) to file and prosecute in its own name and/or in the name of Joining Member permit applications relating to this Agreement or the Project; (c) to prosecute or otherwise participate in administrative and court proceedings related to the Project in its own name and/or in the name of Joining Member; (d) to review and administer, accept, invest, apply and distribute tip fees, rebates and other payments to the MRC and/or Joining Members consistent with the terms of this Agreement, including but not limited to the establishment and funding of such reserve funds as the MRC may deem appropriate from time to time; ; and (e) negotiate and enter into in the name of and on behalf of Joining Member and other Joining Members contracts related to the collective transportation, management and disposition of MSW including, without limitation contracts related to the transportation and bypass of waste and the disposition of non-processibles and residuals, it being understood that the MRC will enter into any such contracts only after

appropriate notice to Joining Members affording them an opportunity to be heard with regard to such contracts.

5.2 Ratification of MRC Articles of Incorporation and Bylaws; Authorization. By executing and delivering this Agreement, Joining Member expressly (i) consents to becoming a Joining Member; (ii) agrees to comply with the Components of Ratification specified in **Exhibit C**; and (iii) agrees to become, or continue to be, a Member of the MRC and ratifies and confirms acceptance by it of the MRC Articles of Incorporation and Bylaws, as the same may be amended from time to time. Without limiting the generality of the foregoing, Joining Member hereby authorizes the MRC to collect and distribute payments made to or by Joining Member, including dues to the MRC in such amount as may be set by the MRC Board of Directors (historically \$1.25 per ton), to allocate such payments among Joining Members, and to establish and administer reserve or other similar accounts, in each case such manner, at such times and in such amounts as the MRC may deem to be appropriate after due public review and consideration.

ARTICLE 6 TRANSPORTATION AND DISPOSITION OF BYPASS AND BRIDGE WASTE

6.1 Transportation. Joining Member and the MRC each acknowledge that it may be in the interests of all Joining Members to enter into collective arrangements for the transportation of MSW to the Facility and/or for the use of transportation fuel produced at the Facility. Joining Member and the MRC agree to cooperate and afford each other an opportunity to be heard with regard to such arrangements.

6.2 Disposition of Bridge Capacity and Bypass Waste. Joining Member acknowledges that the MRC has entered into an agreement for disposal of the following waste streams at a Back-up Facility (the Crossroads Landfill):

(a) Bridge Capacity Waste, which, in the event the Commercial Operation Date is delayed after April 1, 2018, is Acceptable Waste collected by the Joining Member from April 1, 2018, until the Commercial Operation Date (as that term is defined in the Site Lease) that cannot be accepted for processing at the Facility.

(b) Bypass Waste, which is Acceptable Waste that is collected by the Joining Member for delivery to the Facility after the Commercial Operation Date, but cannot be accepted for processing by the Facility, because either (i) the Facility has not yet achieved Commercial

Operation as of the end of the Excused Delay Period; or (ii) the Facility is out of service for maintenance or repair or as the result of a Force Majeure or otherwise.

(c) Joining Member agrees to cooperate and consult with the MRC to implement delivery of Bridge Capacity Waste and Bypass Waste to the Crossroads Landfill. Joining Member shall pay the Tipping Fee with respect to Bypass Waste as if it were Acceptable Waste delivered to the Facility. Joining Member shall pay tipping fees with respect to Bridge Capacity Waste to the Back-up Facility in accordance with the agreement for management of Bridge Capacity Waste as directed by the MRC. Joining Member shall arrange transportation to, and pay transportation costs for, delivery of Bridge Capacity Waste to the Back-up Facility. The MRC agrees to cooperate with the Joining Members and afford them an opportunity to be heard before implementing arrangements for delivery of Bridge Capacity Waste and Bypass Waste with the objective of avoiding or minimizing additional transportation costs to the Joining Members as a group.

(d) Joining Member agrees to comply with the delivery procedures and transporter rules and regulations that govern deliveries of Acceptable Waste to the Back-up Facility.

ARTICLE 7 DISPOSITION OF ASSETS ADMINISTERED BY THE MRC

7.1 Existing Assets. If Joining Member is a current member of the MRC and a Charter Municipality currently delivering MSW to PERC pursuant to the Existing PERC Contracts, the provisions set forth in **Exhibit B** shall govern the disposition of assets of Joining Member and other Charter Municipalities, including Departing Municipalities, following expiration of the Existing PERC Contracts, as well as any additional assets held by the MRC.

7.2 Disposition of Project Site Assets. In the event of a sale of the Project Site, after payment of expenses of sale, the remaining sale proceeds shall be distributed in accordance with **Exhibit B**.

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification by Joining Member. Joining Member agrees to defend,

indemnify, and hold harmless the MRC, each other Joining Member, and their respective members, directors, elected officials, officers, agents and employees against any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, to the extent resulting from any failure by Joining Member to perform fully, in any respect, its obligations under this Agreement. The foregoing indemnity expressly extends to claims of injury, death, or damage to employees of Joining Member or of a subcontractor, anyone directly or indirectly employed by Joining Member, or anyone for whose acts they may be liable. In claims against any person or entity indemnified under this Section 8.1 by an employee of Joining Member or subcontractor, the indemnification obligation under this Section 8.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Joining Member or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. Joining Member expressly waives immunity under workers' compensation laws for the purposes of this indemnity provision.

8.2 Indemnification by MRC. The MRC agrees to defend, indemnify, and hold harmless Joining Member, its elected and appointed officials, officers, agents, and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, to the extent resulting from (i) any willful or negligent act or omission by the MRC, its directors, officers, agents, employees (including duly authorized volunteers), contractors, or anyone acting on the MRC's behalf; and (ii) any failure by the MRC to perform fully, in any respect, its obligations under this Agreement. The foregoing indemnity expressly extends to claims of injury, death, or damage to employees of the MRC or of a subcontractor, anyone directly or indirectly employed by the MRC, or anyone for whose acts they may be liable. In claims against any person or entity indemnified under this Section 8.2 by an employee of the MRC or subcontractor, the indemnification obligation under this Section 8.2 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the MRC or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. The MRC expressly waives immunity under workers' compensation laws for the purposes of this indemnity provision.

8.3 Notice. A Party asserting a right to indemnification under this Article VII (the "Indemnified Party") shall give to the other Party (the "Indemnifying Party") written notice of the commencement of any legal action or other circumstance which may give rise to a claim for indemnification hereunder within ten (10) days of receipt of written notice by it of commencement of a legal action and within thirty (30) days of learning of any other circumstances giving rise to a claim for indemnification; provided, however, that failure to so notify the Indemnifying Party shall discharge it from its indemnification obligation hereunder only if and to the extent that it has been prejudiced thereby. The Indemnified Party shall afford to the Indemnifying Party access to all records and information relating to such claim, facts and circumstances (except those matters privileged or otherwise protected from disclosure under applicable state or federal law or rules of evidence) reasonably necessary to permit the Indemnifying Party to evaluate the merits of such claim or the accuracy of such facts and circumstances. Upon receipt of notice, the Indemnifying Party may elect to participate in or, if it

acknowledges its obligation to indemnify, assume defense of, such action at its own expense and with counsel of its own choosing. The Indemnified Party shall not settle or compromise any claim with respect to which indemnification is sought without the prior written consent of the Indemnifying Party which consent may not be unreasonably withheld or delayed. Notwithstanding that the Indemnifying Party may have assumed defense of an indemnified claim, the Indemnified Party shall have the right, at its sole expense, to retain its own counsel to participate in such defense.

8.4 Opportunity to Cure. The Indemnifying Party shall be entitled, at its sole cost and expense, to undertake to cure any circumstances or to pay or settle any claim which is the subject of a claim for indemnification provided that, prior to such settlement, the Indemnifying Party either (i) acknowledges its obligation hereunder to indemnify the Indemnified Party, or (ii) obtains the written consent of the Indemnified Party to the settlement.

8.5 Resolution of Dispute as to Indemnification. Any dispute relating to indemnification may, at the election of either Party, be resolved through the dispute resolution procedure contemplated by Section 11.8 of this Agreement.

8.6 De Minimus Payment Provisions. Notwithstanding the foregoing, no payments in respect of any indemnification claim shall be required of any Indemnifying Party unless and until the total amount of the indemnification claims payable by such Indemnifying Party has exceeded Twenty-Five Thousand Dollars (\$25,000) in the aggregate, after which, however, all such indemnification claims, including those included in the de minimus calculation, shall be subject to payment as provided herein.

8.7 Limitation of Liability. Notwithstanding the provisions of this Article 8, except in the case of fraud neither Party shall be liable to the other for any incidental, indirect, or consequential damages arising out of the performance or breach of this Agreement.

8.8 No Waiver of Immunities. Nothing in this Agreement or the Master Waste Supply Agreement shall constitute a waiver or diminution by Joining Member or the MRC of any immunities or statutory limitations on liability, nor shall anything in this Agreement be construed to constitute a waiver of any defense, immunity or limitation of liability that may be available to a governmental entity, or any of its officers, officials, agents or employees pursuant to the Eleventh Amendment to the Constitution of the United States of America, the Maine Constitution, the Maine Tort Claims Act (14 M.R.S.A. §8101 *et seq.*), any state or federal statute, the common law or any privileges or immunities as may be provided by law.

8.9 Assignment. The Indemnified Party shall assign to the Indemnifying Party all claims it may have that arise in connection with claims indemnified by the Indemnifying Party.

**ARTICLE 9
ASSIGNMENT**

9.1 General Prohibition of Assignment. Except as otherwise specifically provided herein, neither Party may assign its rights or delegate its obligations under this Agreement, including without limitation any transfer by operation of law, in any manner whatsoever without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any attempt at any such assignment, transfer, or sale without the consent required hereby shall be void and of no effect, and shall, at the option of the other Party, terminate this Agreement.

9.2 Assignment by the MRC. Subject to member approval rights as set forth in the Bylaws of the MRC, and notwithstanding the provisions of Section 9.1, the MRC may, after providing prior notice to Joining Members and affording them an opportunity to be heard, assign its rights under this Agreement to a successor entity formed for the purpose of assuming the obligations and mission of the MRC. Any other attempt by the MRC to assign, transfer, or pledge this Agreement, whether in whole or in part, to any person without the prior written consent of the Joining Member shall be null and void.

**ARTICLE 10
EVENTS OF DEFAULT; TERMINATION**

10.1 MRC Event of Default. Each of the following shall constitute an Event of Default as to the MRC:

(a) The MRC shall have failed to fulfill its obligations under this Agreement, the Master Waste Supply Agreement or the Site Lease and such failure has not been cured within the longer of (a) thirty (30) days following receipt of written notice from the Joining Member specifying that a particular default exists, or (b) any otherwise applicable cure period; provided, however, that if it is not possible to cure such default within the applicable cure period, no Event of Default shall be deemed to exist so long as the MRC takes action within such period to initiate steps to effect a cure and pursues such cure with reasonable diligence.

(b) The MRC or any permitted assignee shall (a) file, or have filed against it a petition which is not dismissed within sixty (60) days, in bankruptcy, reorganization or similar proceedings under, or shall be adjudicated a bankrupt under, the bankruptcy laws of the United States, (b) have a receiver, permanent or temporary, appointed by a court of competent authority for it or on its behalf which is not dismissed within sixty (60) days, (c) request the appointment of a receiver, (d) make a general assignment for the benefit of creditors, or (e) shall have its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) days.

(c) The MRC or any permitted assignee shall dissolve or liquidate or shall have ceased operations for a period in excess of sixty (60) days.

10.2 Joining Member Event of Default. Each of the following shall constitute an Event of Default as to the Joining Member:

(a) Joining Member shall have failed to fulfill its obligations as a member under the MRC Articles of Incorporation or Bylaws or under this Agreement, the Master Waste Supply Agreement or the Site Lease and such failure has not been cured within the longer of (i) thirty (30) days following receipt of written notice from the MRC specifying that a particular default exists, or (ii) any otherwise applicable cure period; provided, however, that if it is not possible to cure such default within the applicable cure period, no Event of Default shall be deemed to exist so long as the Joining Member takes action within such period to initiate steps to effect a cure and pursues such cure with reasonable diligence.

(b) Joining Member or any permitted assignee shall (i) file, or have filed against it a petition which is not dismissed within sixty (60) days, in bankruptcy, reorganization or similar proceedings under, or shall be adjudicated a bankrupt under, the bankruptcy laws of the United States, (ii) have a receiver, permanent or temporary, appointed by a court of competent authority for it or on its behalf which is not dismissed within sixty (60) days, (iii) request the appointment of a receiver, (iv) make a general assignment for the benefit of creditors, or (v) shall have its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) days.

(c) Joining Member or any permitted assignee shall dissolve or liquidate.

(d) Joining Member fails to make any undisputed payment due hereunder within thirty (30) days after the same is due.

10.3 Expiration of Term. This Agreement shall terminate upon the expiration of the Master Waste Supply Agreement. Notwithstanding termination, Joining Member shall remain liable for any obligations, including payment obligations, arising prior to the date of termination.

10.4 Remedies. Either party may terminate this Agreement upon the occurrence and during the continuance of an Event of Default by the other party. Unless otherwise provided by Law, any right or remedy provided for herein shall not be considered as the exclusive right or remedy of the non-defaulting Party, and such right or remedy shall be considered to be in addition to any other right or remedy allowed by Law. Without limiting the generality of the foregoing, Joining Member acknowledges that the MRC and the other Joining Members are relying on its commitment to deliver Acceptable Waste originating within its borders to the Facility under the Master Waste Supply Agreement and that breach of that obligation would cause irreparable damage to the MRC and the other Joining Members for which monetary damages would not provide an adequate remedy. Accordingly, in the event of such a breach, in addition to such other remedies as may be available to the MRC at law or in equity, Joining Member expressly acknowledges that the MRC shall be entitled to specific performance of the delivery obligations of Joining Member hereunder.

10.5 Limitation on Cure Period. Notwithstanding any other provision of this Agreement, in the event that either Party shall have breached a provision hereof and shall have relied upon a cure period in order to avoid termination under the provisions of this Article 10, such party shall not, within a period of two (2) years from the date of the initial breach, be entitled to the benefit of a cure period with respect to a subsequent breach of the same provision.

ARTICLE 11 OTHER PROVISIONS

11.1 Force Majeure. In the event either Party is rendered unable, wholly or in part, by a Force Majeure to carry out any of its obligations under this Agreement, and provided that such party is using reasonable business efforts to resume performance at the earliest practicable time, then the obligations of such Party, to the extent affected by such a Force Majeure, shall be suspended during the continuance of the Force Majeure but no longer. Any time that a Party intends to rely upon a Force Majeure to excuse or suspend its obligations hereunder, such Party shall notify the other Party as soon as is reasonably practicable, describing in reasonable detail the circumstances of the Force Majeure. Notice shall again be given when the effect of the Force Majeure has ceased. Notwithstanding the foregoing, the existence of a Force Majeure shall not relieve a Party from its obligation to make payments due or payable prior to or independent of the Force Majeure.

11.2 Notification of Force Majeure or Event of Default. The MRC shall notify the Joining Member of the occurrence of any Force Majeure or Event of Default under the Master Waste Supply Agreement or the Site Lease.

11.3 Waste Deliveries During Force Majeure. In the event of a Force Majeure under the Master Waste Supply Agreement or the Site Lease that would preclude acceptance and processing of Acceptable Waste at the Facility, the Joining Member shall deliver collected Acceptable Waste to the Facility or to the Back-up Facility at the direction of the MRC for the duration of such Force Majeure, which deliveries shall be treated as Bypass Waste under Section 6.2 hereof.

11.4 Opportunity To Be Heard.

(a) In the event of a Force Majeure under the Master Waste Supply Agreement, promptly upon receipt of a Force Majeure Plan, the MRC shall inform the Joining Members and provide to them an opportunity to be heard as to whether to accept, accept a modified version of, accept subject to dispute, or not accept such Force Majeure Plan, and shall indicate the projected impact of implementing the proposed Force Majeure Plan on future Tipping Fees and Rebates. In the event of an Event of Default under the Master Waste Supply Agreement or the Site Lease, the

MRC shall inform the Joining Members of such default and of the actions proposed to be taken by the MRC in response thereto. Joining Member shall accept and abide by decisions of MRC with respect to any such default or Force Majeure.

(b) In the event that the MRC wishes to amend the Master Waste Supply Agreement or the Site Lease, it shall provide to the Joining Members notice of the proposed amendment and an opportunity to be heard and shall consider in good faith any comments received prior to any such amendment taking effect.

11.5 Change In Law. Joining Member shall notify the MRC, and the MRC shall notify Joining Member, promptly as soon as either party has knowledge of any action of the federal government, state legislature, state administrative or regulatory authority, court of applicable jurisdiction, or any other governmental body that could lead to the occurrence of a Change in Law. MRC and Joining Member shall use reasonable efforts to cooperate to avoid any such action and to mitigate its potential adverse impact on their obligations hereunder or on the Master Waste Supply Agreement, the Site Lease, or operation of the Facility or the Back-up Facility.

11.6 Relationship of Parties. Nothing in this Agreement is intended or should be construed in any manner as creating or establishing a partnership or joint venture between the Parties. Except as otherwise provided herein, neither Party shall have the authority to contractually bind the other Party. No employees or agents of one Party shall be deemed the employees or agents of the other Party for any purpose. In addition, nothing in this Agreement is intended or should be construed in any manner to empower the MRC to act other than for the sole and exclusive benefit of all of the Joining Members as a group.

11.7 Waiver. The failure of either Party to take action with respect to any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant, or condition. Any waiver by either Party of any breach of any term, covenant, or condition contained in this Agreement shall be effective only if in writing and shall not be deemed to be a waiver of any subsequent breach of the same, or of any other term, covenant, or condition contained in this Agreement. Nothing in this Agreement shall be construed to constitute a waiver of any defense, immunity or limitation of liability that may be available to a governmental entity, or any of its officers, officials, agents or employees pursuant to the Eleventh Amendment, to the Constitution of the United States of America, the Maine Constitution, the Maine Tort Claims Act (14 M.R.S.A. §8101 *et seq.*), any state or federal statute, the common law or any privileges or immunities as may be provided by law.

11.8 Dispute Resolution.

(a) Any dispute arising under this Agreement shall be resolved only in accordance with this Section 11.8.

(b) A dispute shall arise when one Party sends a written notice of dispute by certified mail to the other Party. The Parties shall first attempt to resolve the dispute through informal negotiations in which each party agrees to participate in good faith.

(c) If the Parties cannot resolve the dispute informally within fourteen (14) days of such written notice, either Party may submit the dispute to arbitration to be conducted under the commercial arbitration rules of the American Arbitration Association. Arbitration shall be initiated by the serving of a written notice of intent to arbitrate (an "**Arbitration Notice**") by one Party upon the other. Arbitration proceedings shall be conducted by a single arbitrator to be agreed upon by the Parties; provided, however, that if the Parties are unable to agree upon a single arbitrator within ten (10) days from the date of the Arbitration Notice, each Party shall select an arbitrator and the two so named shall name a third arbitrator. The arbitration proceedings shall then be heard by the arbitrator(s) and the decision of the arbitrator, or of a majority if a panel of three has been selected, shall be final and binding on the parties. The arbitrator(s) shall have no authority to add to, detract from, reform or alter in any manner any provision of this Agreement. Judgment upon the arbitration award may be entered in any court of competent jurisdiction. Any Arbitration Notice must be served within two (2) years from the date on which the claim arose, and failure to bring such claim within such two year period shall constitute a waiver of such claim and an absolute bar to further proceedings with respect to it. All arbitration proceedings shall be conducted in Bangor, Maine unless the parties otherwise agree in writing. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to preclude either party from seeking temporary or permanent injunctive relief from a court of competent jurisdiction with respect to any breach of this Agreement. For purposes of this Section 11.8, a claim shall be deemed to have arisen as of the later of (i) the date on which the circumstances forming the basis for the claim first occurred, or (ii) the date upon which such circumstances are discovered or with reasonable diligence should have been discovered.

(d) Each of the Parties will bear its own costs in connection with any dispute resolution proceeding. The Parties shall share equally the cost of any single arbitrator. If a panel of three arbitrators is appointed, each Party shall pay the costs of the arbitrator appointed by it, and the cost of the third arbitrator shall be shared equally.

11.9 Notices. All notices, demands, or other writings provided for in this Agreement shall be deemed to have been fully given or made or sent if in writing and either (i) delivered in person, (ii) sent by recognized overnight courier with acknowledgement of receipt, (iii) sent by certified mail, return receipt requested, or (iv) sent by email, provided a confirmation copy is sent promptly by overnight courier or certified mail, in each case to the following addresses:

If to the MRC: Municipal Review Committee
 395 State Street
 Ellsworth, ME 04605
 Attention: Executive Director

{EP - 02066179 - v1 }

MUNICIPAL JOINER AGREEMENT
CHARTER MEMBER

Email: glounder@mrcmaine.org

With a copy to: Eaton Peabody
80 Exchange Street
P.O. Box 1210
Bangor, Maine 04402
Attention: Daniel G. McKay, Esq.
Email: dmckay@eatonpeabody.com

If to Joining Member: _____

Attention: _____
Email: _____

Either party may change the address at which notices to it are to be delivered by providing notice of such change in the manner provided above.

11.10 Parties Bound. The covenants and conditions contained in this Agreement shall bind the successors and assigns of each of the Parties.

11.11 Time of the Essence. Time is of the essence in this Agreement, and in each and every covenant, term, condition, and provision of this Agreement.

11.12 References. The captions appearing under the section number designations of this Agreement are for convenience only, are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement. Unless the context clearly requires otherwise, references to section numbers and exhibits shall be deemed references to the section numbers and exhibits to this Agreement.

11.13 Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Maine without regard for conflict of law provisions.

11.14 Entire Agreement. This Agreement shall constitute the entire agreement between the parties with respect to its subject matter. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.

11.15 Modification of Agreement. Any modification of this Agreement shall be binding only if such modification is documented in writing and signed by each Party or an

authorized representative of each Party.

11.16 Additional Documents. The Parties agree to execute whatever reasonable papers and documents may be necessary to effectuate the terms and intent of this Agreement.

11.17 No Special or Consequential Damages. Notwithstanding any other provision of this Agreement, in no event shall either Party be liable under this Agreement for any special or consequential damages whatsoever.

11.18 Severability. The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

11.19 Third Party Beneficiary. Company shall be a third party beneficiary of the obligations of Joining Member hereunder and may enforce such obligations directly. Otherwise, this Agreement is intended for the sole benefit of the Parties, and no other party shall be regarded as a third party beneficiary of the obligations of the Parties hereunder.

11.20 Partial Contract Year. In the event of a partial Contract Year, all amounts and allocations shall be adjusted appropriately based on the ratio which the number of days in such partial Contract Year bears to the number of days in a full 365 day calendar year.

11.21 Counterparts. This Agreement may be executed in counterparts. A signature transmitted by facsimile, email or other electronic means shall have the effect of an original.

[Signature page follows.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed as a sealed instrument as of the date first above written.

MUNICIPAL REVIEW COMMITTEE

By: _____

Name:

Title:

JOINING MEMBER

By: _____

Name:

Title:

List of Exhibits

- A Form of Master Waste Supply Agreement**
- B Disposition of Municipal Assets**
- C Components of Ratification**

Exhibit A
to Municipal Joinder Agreement

MASTER WASTE SUPPLY AGREEMENT

[Exhibit attached to original]

**Exhibit B
to Municipal Joinder Agreement**

**Management and Disposition of
Existing Municipal Assets and Project Assets**

1. **Applicability.** This Exhibit B sets forth how the MRC shall manage the disposition of assets held in the name of the Equity Charter Municipalities upon the expiration of the Existing PERC Contracts and the disposition of certain payments to be made by Non-Charter Municipalities. The following assets, none of which are owned by the MRC, are addressed herein:
 - **The Custody Account and Tip Fee Stabilization Fund.** Pursuant to the Existing PERC Contracts, the MRC manages two reserve accounts held in the names of the Equity Charter Municipalities -- the Custody Account and the Tip Fee Stabilization Fund -- with a combined balance on the order of \$26.6 million as of the end of 2015 and projected to be in the range of \$25.0 million to \$28 million by March 2018. The Custody Account, established in 1999, has been used as a working capital account to accept payments from the PERC Partnership and proceeds of sales of Bangor Hydro warrants, and to pay cash distributions to the Charter Municipalities in order to achieve the target values. The Tip Fee Stabilization Fund, established in 2002, has been used for investment of funds in excess of what is needed for cash distributions to the Charter Municipalities. The main sources of funds for these accounts through 2015 have been Performance Credits (\$58.098 million), proceeds of sales of warrants in Bangor Hydro stock (\$19.920 million), Net Cash Flow distributed by the PERC Partnership (\$13.235 million) and earnings on the fund balance (\$6.102 million). Uses have included distributions to the Charter Municipalities (\$60.555 million) and purchases of partnership shares in PERC on behalf of Charter Municipalities (\$10.032 million). Note that all of the Net Cash Flow (resulting from ownership of PERC partnership shares) and proceeds of sales of warrants in Bangor Hydro stock received to date have been distributed to the Equity Charter Municipalities, and that the remaining balances in these accounts are comprised of undistributed Performance Credits and earnings on the fund balance.
 - **The Operating Account and the Operating Budget Stabilization Fund.** Pursuant to the Existing PERC Contracts, the MRC manages two operating accounts held in the names of the Equity Charter Municipalities -- the Operating Fund and the Operating Budget Stabilization Fund -- with a combined balance of less than \$1.0 million. The

Operating Account, which is funded by dues, has been used to fund MRC administration costs since the MRC was created in 1991. The Operating Budget Stabilization Fund, established in 2004, has been used to provide funds to the Operating Account in order to avoid dues increases while covering the costs of developing an arrangement to manage MSW from Charter Municipalities after termination of the Existing PERC Contracts. The sources of funds for the Operating Budget Stabilization Fund have been releases of reserve funds associated with the financing of PERC, as well as a one-time “windfall” payment made by the PERC Partnership to the Equity Charter Municipalities in 2004.

- **The Debt Service Reserve Fund.** The Debt Service Reserve Fund is a reserve account in the amount of approximately \$1,333,333 which is pledged in support for existing PERC Partnership senior financing and which is held for the term of the financing by the lender for distribution to the MRC for the benefit of the Equity Charter Municipalities. If not called upon to pay debt service, this fund is scheduled to be released to the MRC in early 2018.
- **Limited partnership shares in the PERC Partnership.** The Equity Charter Municipalities own a total of 25.5214 percent of the limited partnership shares in the PERC Partnership, which are managed on their behalf by the MRC. Note that the PERC Partnership is scheduled to be dissolved by the end of 2018.

2. **The Custody Account and the Tip Fee Stabilization Fund.**

Upon expiration of the Existing PERC Contracts, the MRC shall manage and dispose of the funds in the Custody Account and the Tip Fee Stabilization Fund as follows:

- (a) Fund up to \$5.0 million for actual expenditures pursuant to the Site Lease, the Master Waste Supply Agreement and this Agreement for acquisition of the Site and development of related infrastructure (the Site Capital Costs);
- (b) Pay Equity Charter Municipalities that are Departing Municipalities their allocable share of the Custody Account and the Tip Fee Stabilization Fund as of the date of termination of the Existing PERC Contracts, as determined by cumulative application of the Transaction Guidelines and other policies that have been used to make such allocations since 1998; provided that (i) the balance that is the basis for the allocation calculation shall be increased by up to \$5.0 million to account for actual expenditures for the Site Capital Costs; and (ii) the amount allocated to each Equity Charter Municipality shall assume that all Site Capital Costs are allocated to Joining Charter Municipalities and no Site Capital Costs are allocated to Departing Municipalities; and (iii) the allocation shall account for the costs of administering such payment, including reserves

held for the pro rata share of the Departing Municipalities against total liabilities and costs associated with the dissolution of the PERC Partnership and the closure of the PERC facility. Payment shall be made timely after the termination of the Existing PERC Agreements, subject to such reserves as the Board of Directors may establish on a basis comparable to amounts being reserved from the allocable accounts of the Joining Members, to those Departing Municipalities that have executed a Termination Agreement in such form as may be approved by the MRC, and shall make subsequent and final payments promptly after confirming the extent to which reserve funds continue to be needed.

(c) Use the funds allocable to the Equity Charter Municipalities that are Joining Members to provide initial funding to establish reserve funds in support of the Site Lease, Master Waste Supply Agreement and this Agreement as follows:

- Up to \$7.0 million as a reserve against purchase of the building in the event of termination (the Building Reserve), which amount may be reduced once per year in accordance with Exhibit C to the Site Lease. Amounts released from the fund each year shall be distributed to the Equity Charter Municipalities in accordance with the amount of their original contributions (e.g., their fund balances as brought forward on April 1, 2018). The value of the building, if purchased, shall also be allocated among the Equity Charter Municipalities that are Joining Members pro rata with the amount of their original contributions.
- An initial amount of \$3.0 million for the Delivery Sufficiency Reserve Fund, which shall be used, as needed, to make Delivery Sufficiency Payments for the benefit of all Charter Municipalities that are Joining Members. Funds not used at the end of the term of the Joinder Agreement shall be allocated among the Equity Charter Municipalities that are Joining Members pro rata with the amount of their original contributions.
- \$1.167 million held by the Equity Charter Municipalities that are Joining Members as a reserve against liabilities and costs associated with the dissolution of the PERC Partnership and the closure of the PERC facility (the Closure Reserve Fund). The MRC shall revisit the need to maintain the Closure Reserve Fund before the end of calendar year 2018. When released, amounts in the Closure Reserve Fund shall be allocated among the Equity Charter Municipalities that are Joining Members pro rata with the amount of their original contributions.

- Up to \$1.0 million to offset costs of transportation of Bridge Waste per the direction of the MRC, with amounts remaining in the fund to be transferred to the Target Value Fund as defined below.
- All remaining amounts shall be deposited into a fund (the "Target Value Reserve Fund") for distribution to the Charter Municipalities that become Joining Members as a supplement to rebates provided by Fiberight to Joining Members, all as directed by the MRC. In the first thirty-six months following the Commercial Operation Date, the MRC shall distribute (i) to Equity Charter Municipalities that are Joining Members \$5.00 per ton for each ton delivered to the Facility, and (ii) to New Charter Municipalities that are Joining Members \$3.00 per ton for each ton delivered to the Facility; provided, however, that such payments will be made only to the extent that funds are available therefor and only to the extent necessary in order to achieve a net disposal cost, after payment of all other rebates, of \$65.00 per ton for Joining Members which are Equity Charter Municipalities and \$67.00 per ton for Joining Members which are New Charter Municipalities. Thereafter, distributions from the Target Value Reserve Fund shall be made on such basis as may be approved by the MRC Board of Directors at a properly-noticed meeting in accordance with the MRC Bylaws.

3. **Operating Account and Operating Budget Stabilization Fund.** Upon expiration of the Existing PERC Contracts, the MRC shall manage and dispose of the funds in the Operating Account and the Operating Budget Stabilization Fund as follows:

- Pay Departing Municipalities their allocable share of the Operating Budget Stabilization Fund as of the date of termination of the Existing PERC Contracts, as determined by cumulative application of the Transaction Guidelines and other policies that have been used to make such allocations since 1998.
- Retain the remaining funds in the Operating Account and Operating Budget Stabilization Fund to support administrative costs of the MRC beyond termination of the Existing PERC Contracts.

4. **Debt Service Reserve Fund.** The MRC shall manage the allocation of funds released from the Debt Service Reserve Fund as follows:

- (a) First, pay the costs of securing the release of the funds.

- (b) Second, pay costs of the Equity Charter Municipalities in the dissolution of the PERC Partnership, including the costs to the MRC of representing the Equity Charter Municipalities in the course of such dissolution.
- (c) Third, pay the Equity Charter Municipalities their allocable share of the Debt Service Reserve Fund as determined based on the relative shares of tonnage delivered by each Charter Municipality during the term of the financing to which the Debt Service Reserve Fund relates, which payments shall be net of the costs of subsections (a) and (b) above and net of any amounts held in reserve until the full cost of dissolution is known.

By the end of calendar year 2018, the MRC shall identify the amounts from the Debt Service Reserve Fund that have been used to pay costs per subsections (a) and b) above; that are being held in reserve in anticipation of additional future costs; and that are available for payment to each Equity Charter Municipality. The MRC shall make such payments, if any, promptly after such decision has been made in 2018, and shall make subsequent and final payments promptly after confirming the extent to which reserve funds continue to be needed.

5. PERC Partnership Limited Partnership Interests. An Equity Charter Municipality's partnership interest in the PERC Partnership shall continue to be administered by the MRC and shall be disposed of as provided in the PERC Partnership Agreement until either (a) the Partnership is dissolved and its affairs concluded; or (b) Municipality has divested itself of any and all ownership shares in the Partnership. Municipality hereby affirms its authorization of the MRC to represent its partnership interest for all purposes including, but not limited to, determining the value of PERC Partnership interests, approving their disposition and determining or approving the allocable share of any distribution allocable to each Equity Charter Municipality.

6. Non-Charter Municipalities. Non-Charter Municipalities shall make additional payments of \$2.21 per ton over the Initial Term of their agreements with the MRC, which payments shall be added to the Target Value Reserve Fund for the benefit of the Charter Municipalities that are Joining Members. Unless the MRC Board of Directors determines otherwise for good cause shown, Departing Municipalities that subsequently are re-admitted to membership in the MRC shall, as a condition to their re-admittance, repay funds previously distributed to them from the Tip Fee Stabilization Account and the Operating Budget Stabilization Account, shall be regarded as Non-Charter Municipalities for purposes of this paragraph only, and shall be obligated to make payments to the Target Value Reserve Fund as contemplated hereby on the same basis as other Non-Charter Municipalities.

Exhibit C
to the Municipal Joinder Agreement
Components of Ratification

1.0 Execution of the Joinder Agreement

- Contact information for administrator of the Agreement
- Signed original version of the Agreement
- Evidence to confirm proper authorization and execution of the Agreement (e.g., minutes recording action by the appropriate legislative authority; sworn statement by the Town Clerk, etc.)
- Legal opinion or certificate as to enforceability of the Agreement and delegation of authority by municipal counsel

2.0 Baseline information on Joining Members

- Value for estimated annual minimum deliveries in tons per year, with description of geographic area (municipal boundaries or other designations) to which the value applies. Identify sources of municipal waste from separate authorities (e.g., schools) and confirm they are included.
- Description of method for MSW collection and delivery as of the Effective Date (including vehicle or container type and capacity, and whether municipal or private), and method for directing deliveries to the Facility
- List of MSW diversion and materials recycling programs sponsored by the Municipality as of the Effective Date, including organics diversion programs

3.0 Joining Member preference items

- Interest in regional approach to transfer or haul to the Hampden Facility
- Preferred bypass arrangements: direct to Facility or direct to Crossroads Landfill
- Interest in delivery of source-separated recyclables or clean wood or brush
- Interest in technical assistance in deciding whether to sustain or discontinue a recycling program
- Interest in regional approach to management of tires and other Unacceptable Wastes, and textiles and other potential Residual Wastes

**EXHIBIT D
TO MASTER WASTE SUPPLY AGREEMENT**

FORM OF SITE LEASE

[Exhibit Attached to Original]

EXHIBIT E
TO MASTER WASTE SUPPLY AGREEMENT

Delivery Requirements

Every Hauler delivering waste to the Facility shall be required to comply with all federal, state and local laws, rules, regulations and ordinances applicable to vehicles transportation and to the transportation of solid wastes. All Haulers will also comply with these Delivery Requirements. The Company reserves the right to amend or clarify these Delivery Requirements from time to time.

Scheduling.

- All vehicles will be scheduled to arrive on the site during operating hours.
- Vehicles will not arrive or park at the facility before operating hours commence.
- Vehicles will depart from the facility on a timely basis after depositing their loads.

Designated Routes.

- All vehicles entering or leaving the facility shall do so via the access road, Cold Brook Road, and Maine state-routed or federal highways that include Interstate 95 and U.S. Routes 202 or 1A. Vehicles shall not travel on unlisted local roads and shall not deviate from designated routes.

Community Requirements.

- Observe all posted speed limits, signs and traffic control signals.
- Do not use engine (Jake) brakes on the access road or on Cold Brook Road.
- Ensure all loads are secured to prevent impacts from litter or fugitive odors.
- Ensure all vehicles are properly registered, licensed, tested and labeled in accordance with applicable requirements.
- Ensure all vehicles are properly maintained and kept in safe condition to enable safe driving and transport.
- Ensure all vehicles are kept clean as necessary to avoid unacceptable levels of fugitive odors.
- Ensure that all drivers are properly licensed and trained in the applicable tasks, have been provided a copy of these rules and have been instructed to ensure strict observance of these rules and all safety rules, regulations and routing.

Delivery.

- Haulers shall deliver Acceptable Waste to the Facility. Haulers shall ensure that drivers are trained in the definition of Acceptable Waste and are trained not to collect materials that are not included in the definition of Acceptable Waste.
- Haulers shall obey the instructions of facility personnel while on the Facility premises related to queuing positions, entrance into and egress from the facility, and positioning and location for the unloading process.
- Haulers shall allow the Company, in its sole discretion, to inspect the contents of any vehicle delivering MSW to the Facility in order to determine the presence of Unacceptable Waste,

and the vehicle operator shall unload the contents as directed by the Company for inspection or the taking of samples.

- If any vehicle is found, by sampling or otherwise, to contain Unacceptable Waste, the Company may reject all or part of the delivery. In the event a delivery contains Unacceptable Waste, the Company shall have the right to re-load the Unacceptable Waste into the delivery vehicle. The Hauler shall then remove such Unacceptable Waste promptly from the Facility and make alternative arrangements for handling and disposal in accordance with Law and directives of any regulatory agency having jurisdiction at the sole cost and expense of such Hauler.

Identification.

- Haulers delivering materials on behalf of Joining Members shall provide the driver's name, hauler name and name of municipality or other source of materials being delivered to scale house personnel for the gate receipt.

Insurance.

- All Haulers must maintain insurance coverage at least at statutory levels for vehicle liability; commercial general liability for general aggregate and products coverage; and workers compensation and employer's liability coverage with policy limits per accident and per employee, in each case of not less than \$2.0 million.
- All Haulers must keep on file with the Company a currently valid certificate of insurance confirming the above coverages and naming the MRC and the Company as an additional insured.

Non-compliance with any of these rules may result in rejection or delay in servicing of the specific load and/or exclusion of the non-complying driver or vehicle from the facility. Offending drivers can be subject to verbal warnings, written warnings, and, if previously warned, to temporary or permanent ban from the facility.

**EXHIBIT F
TO MASTER WASTE SUPPLY AGREEMENT**

Rebate Calculation

1.0 Principles.

- 1.1 This Exhibit F provides the basis for the Company's determination of the amounts of Rebates to pay to the MRC on a quarterly basis as referenced in Section 5.3 hereof.
- 1.2 The Company shall calculate the total Rebate due to all Joining Members in the aggregate on a quarterly basis and shall forward its calculation to the MRC within 20 days of the end of each calendar quarter. The MRC shall review and accept or dispute the calculation of Rebates due and shall inform the Company and all Joining Members of its action. It is understood that each Joining Member has authorized the MRC to manage the Rebates on its behalf as set forth in Section 4.3 of the Joinder Agreements.
- 1.3 The Company shall pay directly to the MRC the undisputed amount of the Rebate within 30 days of being informed by the MRC of its action. It is understood that the MRC shall manage distribution to Joining Members of Rebates received from the Company in accordance with Section 4.3 of the Joinder Agreements and the MRC ByLaws per direction of the MRC Board of Directors.
- 1.4 It is understood that the review by the MRC of the Company's calculation of Rebates may require review of Company accounting and financial data or information that the Company considers sensitive, confidential or proprietary (Company Confidential Data). The MRC agrees that any review of the Rebate that involves review of Company Confidential Data shall be performed on behalf of the MRC by a qualified independent entity chosen by the MRC and approved by the Company, which approval shall not be unreasonably withheld (the MRC Review Agent), provided that the MRC Review Agent (a) has entered into a Non-Disclosure Agreement with the Company; and (b) can conduct such review without exposure to public release of such data under the Freedom of Information Act or successor laws. The Company agrees to make Company Confidential Data available as needed on a timely basis to the designated MRC Review Agent.

2.0 Rebate Payment Threshold Conditions. The Company shall make payment of Rebates for each calendar quarter for which the following threshold conditions have been satisfied:

- 2.1 Any covenants in Company debt-related financing agreements restricting the release of cash distributions by the Company have been satisfied for the preceding four calendar quarters.
- 2.2 Any covenants in equity investor-related investment or similar agreements restricting the release of cash distributions by the Company have been satisfied for the preceding four calendar quarters.

- 2.3 The Company has maintained an average Debt Service Coverage Ratio (DSCR) of not less than 2.0x over the preceding four calendar quarters.
- 2.4 The Company has received tip fees over the preceding four calendar quarters from all sources of solid waste and other materials accepted for processing, including source-separated recyclable materials and Bypass Waste, in an amount that exceeds the Annual Tip Fee Rebate Threshold. The Annual Tip Fee Rebate Threshold shall be defined as \$10.0 million per year for all calendar quarters for which at least one of the preceding four quarters occurred in calendar year 2018. The Annual Tip Fee Rebate Threshold shall escalate as of January 1, 2020, and as of each January 1 thereafter, at the same annual percentage change as was used to escalate the Tipping Fee to the value in effect during the prior calendar year per Section 5.1 hereof.
- 2.5 Aggregate cash flow from the Company to equity holders, including management fees and distributions, has exceeded 100% of the total initial capital contribution by the equity holders, which is anticipated to be approximately \$23,500,000, but shall not finally be determined until the total cost of constructing the Facility has been calculated following the successful completion of the Final Performance Test, and shall be such total cost less the amount of debt financed at Financial Close. This threshold condition shall not apply to payment of Rebates after it has been initially satisfied.
- 2.6 For the full period of the preceding four calendar quarters, either (i) the MRC has complied with the Delivery Commitment per Section 3.5 of this Agreement; or (ii) the MRC has made all required Delivery Sufficiency Payments per Section 3.8 of this Agreement; or (iii) the Company, in its sole discretion, has chosen to offset the amount of any Delivery Sufficiency Payment payable against the amount of any Rebate being paid.

The Company acknowledges that MRC review of the satisfaction of these conditions may require the availability for review of Company Confidential Information on behalf of the MRC as described in Section 1.4 above. The Company agrees to make such Company Confidential Information available as set forth herein.

- 3.0 Calculation of the Rebate Amount. After the close of each calendar quarter, the Company shall calculate the Rebate to be paid to the MRC as follows:
- 3.1 Determine the operating revenue received during the calendar quarter (OpRev). OpRev for each calendar quarter shall include tip fees and gross proceeds from the sales of materials, products and attributes, and value provided for waste processing services or products resulting from processing received in such quarter. OpRev shall not include interest earned on operating accounts or reserve funds; tax credits; loan principle forgiven or other non-cash accounting items treated as revenue; or similar items that do not generate cash or are not treated as operating revenue.

- 3.2 Calculate the amount of the Rebate for the quarter as the sum of the Tier 1 Revenue, the Tier 2 Revenue and the Tier 3 Revenue, which are each defined as a function of OpRev as follows:

Tier 1 Revenue = Tier 1 Share x (OpRev - Tier 1 Value /4)

Tier 2 Revenue = Tier 2 Share x (OpRev - Tier 2 Value /4)

Tier 3 Revenue = Tier 3 Share x (OpRev - Tier 3 Value /4)

where Tier 1 Share = five (5) percent.

Tier 2 Share = ten (10) percent.

Tier 3 Share = fifteen (15) percent.

OpRev for the calendar quarter is as defined in Section 3.1 above.

Tier 1 Value = \$16.5 million.

Tier 2 Value = \$19.0 million.

Tier 3 Value = \$23.0 million.

provided that

Neither Tier 1 Revenue nor Tier 2 Revenue nor Tier 3 Revenue shall ever be less than zero.

The Tier 1 Share, Tier 2 Share and Tier 3 Share shall all be fixed and shall not escalate or change unless in accordance with the procedure described in Section 3.3 hereof or unless the agreement is amended in accordance with its terms.

The Tier 1 Value, Tier 2 Value and Tier 3 Values are defined for calendar year 2018 and, starting with the values that apply to the first calendar quarter of 2019, shall escalate each year with the annual percentage change in the CPI on the same basis as the Tipping Fee is escalated per Section 5.1 hereof.

- 3.3 Changes in Rebate Parameters. The Company and the MRC acknowledge that the initial values for the parameters designated above as the Tier 1 Share, Tier 2 Share, Tier 3 Share, Tier 1 Value, Tier 2 Value and Tier 3 Value (together, the Rebate Parameters) were determined in good faith to share the value of operating revenues in excess of baseline values between the Joining Members and the Company on a fair and reasonable basis. Both the Company and the MRC acknowledge that there is no guarantee that either desired levels of Rebates or targeted levels of return on investment will be achieved.

In this context, the Company and the MRC hereby agree on the following process for reconsideration of the Rebate Parameters.

- (a) Prior to the date of Financial Close, the Company shall prepare a pro forma economic analysis of the anticipated operations of the Facility through the Initial Term of this Agreement which shall incorporate the values for the Rebate Parameters set

forth herein (the Closing Pro Forma).

- (b) Either the Company or the MRC shall have the opportunity to propose alternative values for the Rebate Parameters by providing notice to the other party before any of the following dates: the fourth, ninth or fourteenth anniversary of the Commercial Operations Date; or the third anniversary of the commencement of any Extension Term. Such notice shall include an updated version of the Closing Pro Forma that incorporates the proposed values of the Rebate Parameters, as well as other changes to projected revenues and costs that can be attributed to either (i) material deviations in the composition of the Acceptable Waste from data that was readily available prior to Financial Close; or (ii) changes in market conditions that were unforeseeable as of the Financial Close. Such notice shall further indicate why the proposed values of the Rebate Parameters, assuming actual revenues from tipping fees and sales of recovered materials and products at the baseline values, would be anticipated to achieve a better and fairer balance between the desired level of Rebates and the targeted levels of return on investment. The Company shall provide such information to the MRC timely on request (including Company Confidential Information to the MRC Review Agent) as might be needed by the MRC to prepare any such notice.
- (c) Either party receiving a receipt of a notice to change the Rebate Parameters shall proceed promptly to review such notice and supporting materials in good faith with the objective of either accepting or rejecting the proposed changes within 60 days of receipt.
- (d) A proposal to change the Rebate Parameters, if accepted by the other party, shall go into effect as follows: on the fifth, tenth or fifteenth anniversary of the Commercial Operations Date if received, as applicable, on the fourth, ninth or fourteenth anniversary of the Commercial Operations Date; or as of the start of any Extension Term if received by the third anniversary of the Initial Term or prior Extension Term, as applicable. Disputes shall be addressed through the dispute resolution process.

4.0 Offsets Against Rebate Payments. The Company shall have the right to offset against Rebate payments any undisputed overdue amounts payable by the MRC or any Joining Member, provided that the amount offset is identified and substantiated in the original calculation provided to the MRC, and that the MRC has not filed an objection to the calculation within the prescribed period.

5.0 Capital Projects that Provide a Substantial Increase in Material or Product Revenues. The Company and the MRC seek to retain incentives for the Company to make "bolt-on" capital investments in the Facility that will result in increases in operating revenues, returns and Rebates (Revenue Upgrade Projects). The Company and the MRC further seek to ensure that the calculation of Rebates does not provide a barrier to implementation of Revenue Upgrade Projects. In this context, the Company and the MRC hereby agree to the following:

- 5.1 A Revenue Upgrade Project shall be defined as a capital investment of not less than \$2 million in equipment for or modifications to the Facility that would result in a material change in the type of products or form of recovered materials produced at the Facility, and that the Company believes would result in significant increases in revenues. Replacement or upgrades of or modifications to existing equipment or other aspects of

the Facility in the ordinary course of operations shall not be considered Revenue Upgrade Projects.

- 5.2 The Company may give notice to the MRC of its intent to implement a Revenue Upgrade Project at any time. With the notice, the Company shall provide
- (a) The anticipated amount of incremental capital investment in the Facility to be made in connection with the Revenue Upgrade Project.
 - (b) Projections of changes in the production of products or recovered materials as a result of the Revenue Upgrade Project.
 - (c) Projections of changes in operating revenues from sales of products or recovered material as a result of the Revenue Upgrade Project.
 - (d) Projections of other material changes to Facility operations, performance and expenses as a result of the Revenue Upgrade Project.
 - (e) Projections of baseline operating revenues from the products or recovered materials that would be anticipated if the Revenue Upgrade Project is not implemented.
 - (f) Projections of Rebates that would be generated if the Revenue Upgrade Project is and is not implemented, along with a proposal for determining the basis for calculation of operating revenues from products and recovered materials that would no longer be produced if the Revenue Upgrade Project is implemented (Rebate Project Adjustment). The intent is for the MRC to continue to receive Rebates as if the Revenue Upgrade Project was not implemented until such time as the net increase in operating revenues over operating expenses associated with the Revenue Upgrade Project, plus any tax credits or other attribute sales or other financial benefits of the Revenue Upgrade Project, exceed 1.5x of the actual amount of incremental capital investment in the Facility as set forth in the original notice. Upon achieving such milestone, the application of the Rebate Project Adjustment shall be discontinued and the Rebate calculation shall return to reliance on actual operating revenues from actual receipts of revenues from sales of actual products and recovered materials as defined above without adjustment.
 - (g) Materials reasonably required to support the above.
- 5.3 The MRC shall have thirty days from the receipt of the notice to review and either accept or dispute the Company's Rebate Project Adjustment, which acceptance shall not be unreasonably withheld. If the MRC elects not to dispute the Company's Rebate Project Adjustment Proposal, then:
- (a) The Rebate Project Adjustment Proposal will be deemed accepted.
 - (b) The calculation of Rebates will be adjusted as set forth in the Rebate Project Adjustment until the return of and on the capital investment set forth in the notice as accepted is achieved. The adjustment set forth in the Rebate Project Adjustment shall be discontinued upon such achievement.
 - (c) In the event the return of capital investment set forth in the notice as accepted is not achieved, then the Company guarantees that the calculation of the contribution to Rebates from the sales of products and recovered materials that would otherwise eventually be discontinued as the result of implementation of the Revenue Upgrade Project, as set forth in the Rebate Project Adjustment, will continue through the end of the Initial Term or of any Extension Term that first follows the date of the notice.
- 5.4 Nothing in this section shall be interpreted as preventing the Company from replacing, modifying or upgrading equipment or other aspects of the Facility in the Company's sole

discretion at its cost through implementation of measures that are not proposed to be Revenue Upgrade Projects.

6.0 Tip Fee Revenue Adjustments.

- 6.1 The Company acknowledges that, under Exhibit B, Section 6 of the Joinder Agreements, Non-Charter Municipalities that become Joining Members are obligated to make additional payments of \$2.21 per ton to the MRC over the Initial Term of their agreements, and that such additional payments are not intended to be paid for the benefit of the Company. Any such amounts received by the Company shall be held by it for the benefit of the MRC and shall be distributed to the MRC on a monthly basis. Such distributions to the MRC shall not be considered payments of Rebates and shall not be subject to threshold or conditions of Section 2.0 hereof. Furthermore, the calculation of OpRev shall exclude any such amounts received by the Company and subsequently paid to the MRC.
- 6.2 The Company anticipates receiving Acceptable Waste from and charging tip fees to municipalities and municipal entities that were Charter Municipalities, but have not become Joining Members prior to the execution of this Agreement, as listed in Exhibit F-6.2 (referred to in the Joinder Agreement as Departing Municipalities). To the extent that the Company receives tip fees from Departing Municipalities over the Initial Term of this Agreement that are in excess of the Tip Fee as determined per Section 5.1 of this Agreement, then, on a quarterly basis, the Company shall pay the MRC an amount equal to the following:

For each ton for which a tip fee is received, the lesser of (a) \$2.21 per ton; and (b) 50 percent of the positive difference between the tip fee and the Tip Fee per Section 5.1 of this Agreement (but not less than zero).

Such payments shall be made in consideration of the equity contribution made by the MRC on behalf of the Joining Members for site acquisition and infrastructure development in advance of the commitment of such initial capital contribution by the Company, notwithstanding the provision for Company to receive its return of 100% of its initial capital contribution as a threshold condition to the initiation of payments of Rebates to the MRC. Such payments shall not be considered payments of Rebates and shall not be subject to thresholds or conditions of Section 2.0 hereof. Furthermore, the calculation of OpRev shall exclude any such amounts paid to the MRC. All payments made to the MRC shall be accompanied by documentation in reasonable detail of the basis for the payment amount.

7.0 Documentation of Rebate Calculation for Review. The calculation of the Rebate forwarded to the MRC for review pursuant to Section 1.2 hereof shall include the following documentation:

- 7.1 A statement regarding whether each of the thresholds identified in Sections 2.1 through 2.5 above have been satisfied. For the conditions in Sections 2.1 and 2.2 above, if any debt-related or equity-related covenant has not been satisfied, the Company shall identify

the language of the covenant and its location in an applicable agreement, indicate the basis for the statement that the covenant has not been satisfied, and describe the efforts and schedule for returning to compliance. For the conditions in Sections 2.3, 2.4 and 2.5, if any numerical requirement has not been satisfied, the Company will provide the applicable numerical values for comparison to the requirement, and shall arrange to make Company Confidential Data available to the designated MRC Review Agent on a timely basis as needed for review of the Company's position.

- 7.2 The basis for the calculation of OpRev. Information shall be provided in aggregate at a level of aggregation traceable to the Company's audited financial statements such that individual tip fees charged for acceptance of waste and materials from entities other than Joining Members, and proceeds from sales of materials, products and attributes, need not be disclosed other than as provided to the MRC Review Agent in the form of Company Confidential Information.
- 7.3 The calculated values of Tier 1 Revenue, Tier 2 Revenue, and Tier 3 Revenue, and the total thereof, which shall be the amount of the Rebate.
- 7.4 Amounts, if any, to be offset per Section 4.0 hereof, including documentation of the basis for the amount payable and a statement that such amount has not been paid.
- 7.5 Rebate Project Adjustments still in effect, if any, along with a statement of the progress of the Rebate Project Adjustments toward achieving the return of the capital investment set forth in the notice as accepted for the related Revenue Upgrade Project.
- 7.6 Tip Fee Revenue Adjustments.
- 7.7 A written certificate signed by the controller, treasurer, or authorized executive of the Company stating that the calculation of the Rebate and the supporting information provided for the identified calendar quarter are, to the best of the knowledge of the signer, a correct representation of the matters set forth and were prepared in accordance with the requirements of the Master Waste Supply Agreement and with generally acceptable accounting principles.

Divider

Page 1 of 1

FIRST AMENDMENT TO MASTER WASTE SUPPLY AGREEMENT

This First Amendment to the First Amended and Restated Master Waste Supply Agreement (this "***First Amendment***") is made this 21st day of November 2017 by and between Municipal Review Committee, Inc., a Maine nonprofit corporation ("***MRC***"), Coastal Resources of Maine LLC, a Delaware limited liability company ("***Coastal Resources***"), and Fiberight LLC, a Delaware limited liability company ("***Fiberight***"). Each of MRC, Coastal Resources and Fiberight are referred to herein as a "Party" and, collectively as the "***Parties***".

WHEREAS MRC, Coastal Resources are parties to that certain First Amended and Restated Master Waste Supply Agreement made and entered into as of August 17, 2017 (the "***Supply Agreement***"); and

WHEREAS the Parties wish to amend certain provisions of the Supply Agreement as contemplated by Section 14.11 thereof;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties hereby agree as follows:

1. Capitalized terms used but not otherwise defined in this First Amendment are as defined in the Supply Agreement.
2. Section 4.7 is hereby amended to replace the reference therein to "\$1,000" with "\$1,250" and to replace the reference therein to "\$75,000" with "\$100,000".
3. Except as expressly amended hereby, the Supply Agreement remains in full force and effect, without change.
4. This First Amendment may be executed in counterparts. A signature transmitted by facsimile shall have the effect of an original.

[Signatures appear on the following page.]

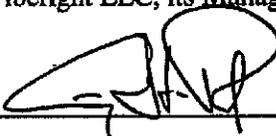
IN WITNESS WHEREOF, each Party to this First Amendment has caused it to be executed, duly authorized, on the date first written above.

MUNICIPAL REVIEW COMMITTEE, INC.

By: 
Name: Chip Reeves
Title: MRC President

COASTAL RESOURCES OF MAINE LLC

By: Fiberright LLC, its Manager

By: 
Craig Stuart-Paul, CEO

FIBERRIGHT LLC

By: 
Craig Stuart-Paul, CEO

IN WITNESS WHEREOF, each Party to this First Amendment has caused it to be executed, duly authorized, on the date first written above.

MUNICIPAL REVIEW COMMITTEE, INC.

By: 
Name: Chip Reeves
Title: MRC President

COASTAL RESOURCES OF MAINE LLC

By: Fiberight LLC, its Manager

By: 
Craig Stuart-Paul, CEO

FIBERIGHT LLC

By: 
Craig Stuart-Paul, CEO

MEMORANDUM

TO: TOWN OF BAR HARBOR
FM: Rudman Winchell (TAP/SWW)
DT: October 1, 2024
RE: Bar Harbor waste reduction options consistent with its MRC obligations
FILE: 02319/71393



Summary

We were asked whether the Town could, consistent with its obligations under its contract with the Municipal Review Committee (“MRC”), setup a separate corporate entity under the Town’s control to facilitate a program intended to divert organic waste. In short, waste diversion programs are most likely consistent with the MRC agreement, regardless of whether performed by the Town or a Town-controlled corporate entity.

Analysis

We have reviewed what we believe to be the current agreement the Town has with the MRC (Municipal Joinder Agreement; hereinafter “Agreement”) to determine what waste reduction methods the Town can employ without violating its Agreement with the MRC.

Article 3 of the Agreement discusses the delivery requirements for waste. In pertinent part, the Agreement requires the Town to “deliver, or cause to be delivered . . . all Acceptable Waste within its borders the collection and distribution of which is under its control.” “Acceptable Waste shall be deemed to be under the control [of the Town] . . . if it is collected and delivered directly [by the Town], its employees or agents, or by a hauler under contract [with the Town].” In short, delivery is only required after waste comes under “control” of the Town. Importantly, this requirement extends to the Town’s agents. Therefore, a Town-controlled LLC or similar entity would be subject to the delivery requirement in the same manner as the Town itself.

However, the Agreement does permit the Town to “establish, continue, expand or discontinue [at the Town’s] sole option, existing or future programs intended to encourage reduction, reuse, or recycling of MSW generated within its borders” subject to certain notice requirements if such programs substantially alter the amount waste delivered by the Town. The Agreement does not specify that these programs must be employed prior to the waste coming under the Town’s control. In other words, even after waste comes under the Town’s “control”, the Agreement would appear to allow the Town to divert waste pursuant to a reduction, reuse or recycling program. Notably, the Agreement requires the Town to obtain MRC’s consent to any new program that significantly diverts organic waste.

Therefore, programs entitled merely to encourage recycling, diversion, and waste reduction by the waste generators clearly do not violate the Agreement. Potentially more problematic are programs intended to facilitate a Town controlled collection and diversion of organic waste to some other purpose, such as energy generation. If MRC refuses to consent to such a program and

the Town proceeds anyway, MRC may claim the Town is in breach of the Agreement. We think the Town has a fairly persuasive argument that MRC should consent or that the procession is unenforceable. The Town can persuasively argue that when this requirement is read in context of the Agreement as a whole, it is clear that it was premised on the functioning of the Fiberight facility, which is not functioning or likely viable in any immediate timeframe.

END OF MEMO

APPENDIX B

LINKS AND REFERENCES

Appendix B

Below you will find links to some useful online information including some towns of a similar demographic.

Fee Schedules:

Midcoast: <https://www.midcoastsolidwaste.org/fee-schedule/>

Kennebunk:

https://cms2.revize.com/revize/kennebunkport/Documents/Departments/Solid%20Waste%20Recycling/CPRC_TS%20Pricing_08152023.pdf

Ogunquit: <https://www.ogunquit.gov/DocumentCenter/View/3830/Transfer-Station-Brochure-240531-p2-PDF>

Bath: <https://www.cityofbathmaine.gov/departments/Landfill/landfill-permitsandrates>

PAYT:

Ogunquit: <https://www.ogunquit.gov/359/Pay-As-You-Throw>

Camden/Rockport/Lincolnville/Hope: <https://www.midcoastsolidwaste.org/msw-transfer-2/> and <https://hopemaine.org/?SEC=BA34428D-24CA-4390-B642-4CA95B0B38E5>

Bath: <https://www.cityofbathmaine.gov/payt-faq>

Similar Demographic Towns:

York: <https://yorkpublicworks.org/services/trash-recycling/>

Ogunquit: <https://www.ogunquit.gov/242/Transfer-Station>

Kennebunkport:

https://www.kennebunkportme.gov/departments/solid_waste_and_recycling/index.php

Composting/Food Waste Disposal

Maine DEP guide on composting:

https://www.maine.gov/dep/sustainability/compost/backyard_composting.pdf

Maine Solid Waste Management:

<https://www.maine.gov/dep/sustainability/sw-hierarchy.html>

Mr Fox Composting:

<https://mrfoxcomposting.com/>

Garbage to Garden (collection service):

<https://garbagetogarden.org/index.php>

Agri-Cycle (collection service) :

<https://www.agricycleenergy.com/>

Chickadee Composting (swap sheds currently in Ellsworth, Blue Hill, Surry):

<https://www.chickadeecompost.com/>

