

MEMORANDUM

TO: Charter Municipalities and Interested Communities
FROM: MRC Board of Directors
RE: Draft Agreements for MSW Management Starting in 2018
DATE: 13 October 2015

Enclosed are three draft agreements for joining the MRC's system to manage MSW starting on April 1, 2018. MRC will be seeking your community's local legislative approval in early 2016. The agreements enclosed are PRELIMINARY DRAFT VERSIONS that are being circulated to help you become familiar with the arrangements being proposed by the MRC. Please review them carefully and send your comments to the MRC.

The MRC system would include the following components:

1. Local municipalities would continue to run their waste reduction and recycling programs and to exercise their current responsibilities for oversight of the collection of the MSW that requires disposal.
2. The MRC would oversee the operation of a new facility being developed in Hampden, Maine, by a private company, Fiberight, LLC. The Fiberight facility would (a) process mixed MSW through a wet pulping process to recover recyclable materials; and (b) treat organic materials in the MSW through hydrolysis and anaerobic digestion to produce bio-methane gas. The gas would either be injected into the local natural gas pipeline system, or converted to compressed natural gas (CNG) for use as vehicle fuel.
3. Residual materials would be directed for disposal to the Crossroads Landfill under a 10-year arrangement negotiated by the MRC. The Crossroads Landfill would also be available to accept MSW that the Fiberight facility cannot process due to delays in achieving commercial operation or limits on available capacity.

The three agreements include:

- A **Joinder Agreement** between the MRC and the municipalities or other entities that join the new arrangement, which will contain terms and conditions for waste delivery and acceptance, payment of tip fees (which will start at \$70 per ton) and rebates, and delegation of authority to the MRC. For entities that are Equity Charter Municipalities, the Joinder Agreements will also address the disposition of the assets being managed by the MRC after the PERC Agreements terminate on or before March 31, 2018. The Joinder Agreement is the agreement that the municipality would vote on and sign if it elects to make the commitment to send its MSW to the Fiberight facility starting in 2018.
- A **Master Waste Supply Agreement** between the MRC and Fiberight, which will govern system-wide waste delivery issues and obligations, define the calculations of tip fees and rebates, discuss contingency events, and address MRC responsibilities in interfacing with

Fiberight and protecting and insulating the towns from risks. The Master Waste Supply Agreement would be signed by the MRC, not by the individual municipalities, but is included to provide information on the full scope of the arrangements with Fiberight and on the full range of responsibilities and authority of the MRC under the agreements.

- **A Site Lease** between the MRC and Fiberight, which will govern permitted uses of the site, site and facility development responsibilities, facility impacts and responses, and contingency events. The Site Lease would also be signed by the MRC rather than by the individual municipalities, which signing would occur in May 2016 after (a) sufficient municipalities have executed Joinder Agreements for the project to be deemed feasible; and (b) the MRC is ready to exercise the option to purchase the property where the facility would be developed.

We have enclosed the following to facilitate your initial review of these draft agreements:

- Brief summaries that highlight key provisions of each agreement.
- Map showing the location of the proposed Fiberight facility in Hampden.
- Two page handout including an overview of the timeline to complete project development and construction.
- Discussion of the process for selecting the Fiberight technology.
- Contact information for members of the MRC Board of Directors.

Full participation in the new arrangement will require a vote of the legislative body of the municipality, which, depending on the municipality, might be accomplished by an action of the city or town council or by a town meeting vote. The MRC anticipates that final versions of all of the documents will be made available by late December 2015, with action on the documents requested through the end of May 2016. The MRC will be available to answer your questions and help you with the review and action process through general public presentations and through responses to individual inquiries. In particular, the MRC Board will be voting on the final documents at its annual meeting, which is scheduled to be held on Wednesday, December 16, 2015, at the Cross Center in Bangor. All municipal officials that will be involved with action on the proposed new arrangements are invited and encouraged to attend. The MRC Board will hold regional meetings on the project on dates and at locations to be announced.

If you would be interested in hosting or sponsoring a regional meeting in your community, please contact the MRC as soon as possible so that arrangements can be made.

Comments received by October 23, 2015 will be considered by the full MRC Board at its public meeting on October 28, 2015. The final deadline for providing feedback on the proposal is November 13, 2015. Send your questions and comments to Greg Lounder, Executive Director, MRC 395 State Street, Ellsworth, Maine 04605 P: (207) 664-1700 E: glounder@mrcmaine.org.

Thank you for your response and for your interest and participation in the MRC.

**PRELIMINARY DRAFT VERSION of the Joinder Agreement:
A Summary of Proposed Terms and Conditions to Facilitate Review and Comment
Prepared by the Municipal Review Committee, Inc., October 2015**

<i>Section</i>	<i>Description</i>
Parties	Signed by the Municipality (known as the “Joining Member”) and the MRC
1.0 Definitions	Many terms are defined either in the context of the Joinder Agreement or in the Master Waste Supply Agreement or the Site Lease
2.0 Term	Initial term is 15 year from the start of commercial operations as defined in the Site Lease Joining Members can extend the Agreement three times for 5 years each, or can terminate with nine months’ notice before the end of any term. MRC can terminate Agreement if sufficient Joining Members do not extend.
3.0 Waste Delivery	Joining Members <ul style="list-style-type: none"> • Will deliver MSW on an exclusive basis under the Agreement. • Will provide an estimate of tons of MSW to be delivered, but will not be penalized for shortfalls against the estimate. • Can continue their waste reduction and recycling programs. • Will not change scope of responsibility for managing MSW without MRC consent. • Are subject to penalties for violating exclusivity if they act to send MSW under their control to another disposal facility. • Agree to pay a special assessment pro rata with all other Joining Members only if (i) there are system-wide delivery shortfalls of MSW below 150,000 tons per year not otherwise mitigated; and (ii) the MRC owes Fiberright more than it has set aside in reserve for such contingencies • Will not deliver Unacceptable Waste.
4.0 Tip Fees and Rebates	Per the Master Waste Supply Agreement <ul style="list-style-type: none"> • The initial tip fee will be \$70 per ton. • Joining Members will be invoiced weekly and will pay in 30 days • The MRC will manage calculation and payment of rebates to the Joining Members
5.0 Authorization	The Joining Member <ul style="list-style-type: none"> • Authorizes the MRC to administer its interests in the Master Waste Supply Agreement and the Site Lease. • Remains (or becomes) an MRC member • Accepts the MRC Bylaws and Articles of Incorporation
6.0 Transportation and Bypass	If the Fiberright facility cannot accept MSW, the Joining Member will send its MSW to the Crossroads Landfill and will comply with the applicable rules for delivery. This might happen if

PRELIMINARY DRAFT VERSION of the Joinder Agreement:

A Summary of Proposed Terms and Conditions to Facilitate Review and Comment

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	<ul style="list-style-type: none"> As of April 1, 2018, if the Fiberight Facility has not yet achieved commercial operation During the Term the Fiberight Facility needs to bypass the MSW There is a Force Majeure event or other casualty event
7.0 Existing Assets	The MRC will manage the disposition of the assets of the Equity Charter Municipalities, including the Tip Fee Stabilization Fund, other funds, and partnership share interests in PERC, per Exhibit B. PLEASE READ THIS EXHIBIT CAREFULLY!
8.0 Indemnification	Reciprocal
9.0 Assignment	Limited
10.0 Events of Default and Terminations	Very limited. The MRC and Joining Members are expected to comply with their commitments.
11. Other provisions	The MRC will consult with Joining Members and coordinate responses to Force Majeure events, Changes in Law and other contingencies. Other typical contractual provisions are included.
Signature	Will need to be signed by an authorized party with evidence of proper authorization and procedure
Exhibit A	Executed version of the Master Waste Supply Agreement
Exhibit B Disposition of PERC Related Assets	Tip Fee Stabilization Fund: see enclosed matrix Operating Funds: roll over (nominal) fund balances to the MRC Debt Service Reserve Fund: TO COME PERC LP interests: manage ultimate distribution
Exhibit C Components of Ratification	To ratify the agreement properly, Joining Members will need to <ul style="list-style-type: none"> Execute the agreement with proper evidence of authorization and authority Provide baseline information on estimated municipal deliveries, existing methods for MSW collection and delivery, and existing recycling programs Designate preferences for participating in regional approaches to transportation and management of hard-to-manage materials and delivery of source-separated recyclables or other materials

**PRELIMINARY DRAFT VERSION of the Master Waste Supply Agreement:
A Summary of Proposed Terms and Conditions to Facilitate Review and Comment
Prepared by the Municipal Review Committee, Inc., October 2015**

<i>Section</i>	<i>Description</i>
Parties	Signed by the MRC and Fiberight, LLC
1.0 Term	Initial term is 15 year from the start of commercial operations Fiberight can extend the Agreement three times for 5 years each with 18 months' notice before the end of any term Even if Fiberight wants to extend, MRC can terminate on 9 months' notice if too many Joining Members have terminated Termination is per provisions of the Site Lease
2.0 Definitions	Acceptable Waste and Unacceptable Waste are defined in Exhibit A Key terms include Change in Law and Force Majeure.
3.0 Waste Delivery	MRC will get commitments to deliver at least 150,000 tons per year from Joining Members signing Joining Agreements The MRC will help find MSW during facility start-up, but cannot divert MSW from PERC while those agreements are in effect The MRC is obligated to have 150,000 tons per year delivered, and the MRC (not the Joining Members) is liable for delivery sufficiency payments if there are delivery shortfalls below the 150,000 tons per year.
4.0 Waste Acceptance and Processing	Fiberight will accept MSW and operate in accordance with performance Standards The MRC will ensure compliance with delivery procedures Joining Members will indemnify the MRC and Fiberight for deliveries of Unacceptable Waste Fiberight can bring in other MSW from Maine, but Joining Members have priority access to the Facility. Fiberight cannot bring in out-of-state MSW. After the Commercial Operations Date, Fiberight can bypass MSW that it cannot accept to the Crossroads Landfill. Fiberight gets the usual tip fee and pays for transportation and disposal of bypassed MSW. Before the Commercial Operations Date, if after April 1, 2018, Fiberight can bypass MSW to the Crossroads landfill. Fiberight does not get tip fees and the Joining Members are responsible for tip fees and transportation to the Crossroads Landfill. Fiberight must accept and process what it can.
5.0 Tip Fees and Rebates	The initial tip fee will be \$70 per ton, escalating with CPI-U Joining Members will be invoiced weekly and will pay in 30 days The MRC will manage calculation and payment of rebates per a formula to be determined
6.0 Indemnification	Mutual
7.0 Confidentiality	To the extent reasonable
8.0 Assignment	Company needs MRC consent Fiberight itself must be involved through commercial operation and

PRELIMINARY DRAFT VERSION of the Master Waste Supply Agreement:

A Summary of Proposed Terms and Conditions to Facilitate Review and Comment

Prepared by the Municipal Review Committee, Inc., October 2015

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	assignment is not allowed unless a qualified successor is offered
9.0 Representations and Warrantees	Standard
10.0 Defaults and terminations	Limited Agreement terminates unless commercial operation is reached by January 1, 2020, as extended by any Excused Delay Period
11.0 Terminations	By mutual agreement only prior to the Financial Close Thereafter only after an Event of Default
12.0	Reserved (for lender benefit provisions if needed)
13.0 Force Majeure	MRC and Company will work together to monitor Changes in Law Obligations can be suspended for a Force Majeure Event if outside the reasonable control of either party per the definition The affected party will develop a Force Majeure Plan regarding impacts on obligations and costs for approval by the other If the Plan is (ultimately) accepted, it goes into effect If rejected, and agreement cannot be reached, then either party can terminate Termination scenarios are per provisions of the Site Lease
14.0 Other	Standard provisions Dispute resolution by non-binding mediation, then arbitration
Signatures	MRC and Fiberright
Exhibit A	Definition of Acceptable Waste - -matches that of PERC, with more detail on Unacceptable Wastes (Hazardous, Flammable, Infectious and Biological Waste)
Exhibit B	Delivery Sufficiency Payments
Exhibit C	Form of Joinder Agreement
Exhibit D	Form of Site lease
Exhibit E	Delivery Requirements
Exhibit F	Rebate Calculation

**PRELIMINARY DRAFT VERSION of the Site Lease Agreement:
A Summary of Proposed Terms and Conditions to Facilitate Review and Comment
Prepared by the Municipal Review Committee, Inc., October 2015**

<i>Section</i>	<i>Description</i>
Parties	To be signed by the MRC (Landlord) and Fiberight, LLC (Tenant)
1.0 Definitions	Key terms include Change in Law and Force Majeure.
2.0 Description	MRC leases the site to Tenant Lease rights address stormwater management, access road, easements, etc.
3.0 Term	Initial term is 15 year from the start of commercial operations Tenant can extend the Agreement three times for 5 years each with 18 months' notice before the end of any term Even if Tenant wants to extend, MRC can terminate on 9 months' notice if too many Joining Members have terminated, provided that MRC either (a) buys the building from tenant; or (b) sells the property to Tenant, in either case at the prices set forth in Exhibit C.
4.0 Rent, Access and Services	Tenant pays Rent per Exhibit D MRC builds the access road and extends water supply and sewer service Tenant connects to those services on the site and arranges all other services
5.0 Quiet Possession	Tenant has right of quiet enjoyment Tenant will keep tax incentives and environmental attributes that it creates Tenant will keep the site in good condition Tenant will acquire and comply with all permits and licenses. The Landlord can enforce this provision even if the Maine DEP does not act. Tenants will not create nuisances, will provide a means for the public to report nuisances and will respond promptly diligently. The Landlord can enforce this provision. The Landlord has inspection rights The Tenant has 24/7 access rights The Tenant will coordinate with First Responders regarding emergencies
6.0 Facility Development	The Tenant will develop everything but the site and access road and water supply and sewer services, which will be developed by the Landlord The Tenant will allow the Landlord to provide non-binding comments on permit applications and designs The Tenant will provide the Landlord with periodic reports The Tenant will provide the Landlord notice of the Construction Date
7.0 Facility Construction	The Tenant will construct the Facility and cause the Commercial Operation Date to occur by April 1, 2018, subject to stated reasons for delay

	<p>The Landlord will construct the access road and infrastructure by stated dates subject to stated reasons for delay Stated reasons for delay can justify delays in the Commercial Operation Date The Tenant and Landlord will keep an updated construction schedule to monitor delays and impacts on the Commercial Operation Date The Tenant will conduct a Performance Test to demonstrate to the Landlord that it has achieved the Commercial Operation Date.</p>
8.0 Facility operation	<p>The Tenant will operate and maintain the Facility The Tenant will send residual materials to the landfill per the Residuals Agreement The Tenant will keep records of operation, provide reports to the Landlord, and communicate with the community The Landlord will arrange for maintenance of the access road</p>
9.0 Capital Improvements	<p>The Tenant can make Capital Improvements to the Facility The Landlord can review and make non-binding comments on the Capital Improvements The Site Lease and other agreements will be updated if necessary to reflect the improvements</p>
10.0 Assignments; Transfers; Bankruptcy	<p>The Tenant cannot assignment the Site Lease without consent of the Landlord. Fiberight itself must be involved through commercial operation and assignment is not allowed unless a qualified successor is offered Bankruptcy can be a breach of the Site Lease</p>
11.0 Notices	
12.0 Taxes and Assessments	Tenant pays
13.0 Liens	Tenant keeps clear
14.0 Indemnification	Mutual
15.0 Insurance	Adequate amounts required
16.0 Right of First Offer	If the Landlord wants to sell, Tenant has first right to buy
17.0 Force Majeure	<p>MRC and Tenant will work together to monitor Changes in Law and condemnation and avoid adverse actions Obligations can be suspended for a Force Majeure Event if outside the reasonable control of either party per the definition The affected party will develop a Force Majeure Plan regarding impacts on obligations and costs for approval by the other If the Plan is (ultimately) accepted, it goes into effect If rejected, and agreement cannot be reached, then either party can terminate. If MRC terminates, then MRC must either (a) buy the building from tenant; or (b) sell the property to Tenant, in either case at the price set forth in Exhibit C</p>

PRELIMINARY DRAFT VERSION of the Site Lease Agreement:

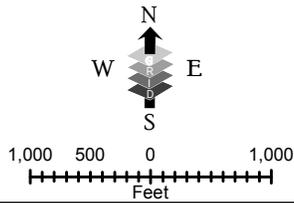
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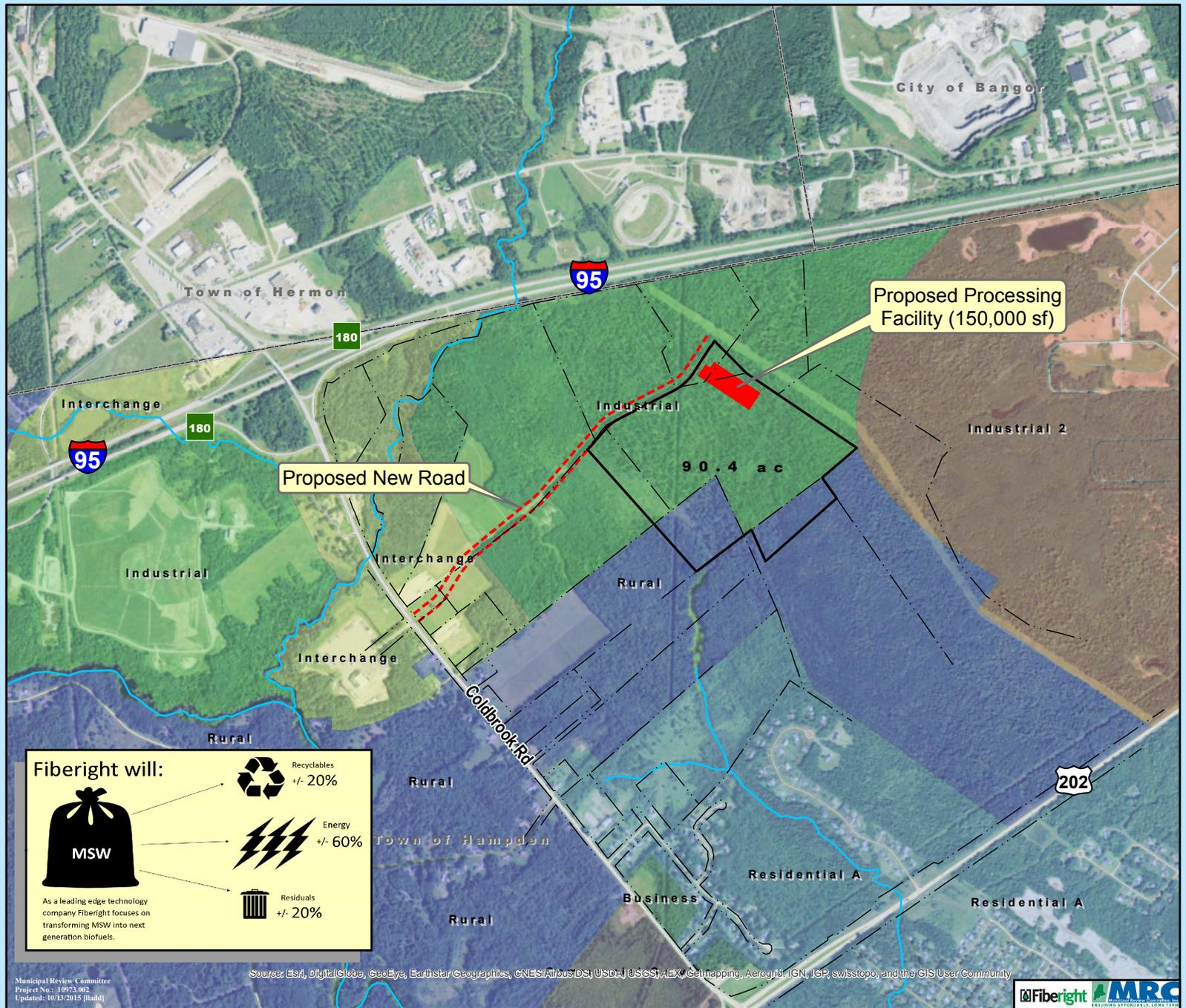
	If Tenant terminates, it must leave and vacate the premises in 90 days
18.0 Defaults and terminations	Limited and subject to specific performance (a party can get a court to order the other party to comply rather than terminate the Site Lease) Agreement terminates unless commercial operation is reached by January 1, 2020, as extended by any Excused Delay Period
19.0 Reserved	Reserved (for lender benefit provisions if needed)
20.0 Reserved	
21.0 Waiver of Subrogation	
22.0 Memorandum of lease	
23.0 Environmental	Liability for Hazardous Waste clean-up.
24.0 Waiver	
25.0 Dispute resolution	Dispute resolution by non-binding mediation, then arbitration
26.0 Miscellaneous	Standard provisions
Signatures	MRC and Fiberight
Exhibit A	Property
Exhibit B	Facility
Exhibit C	Building and Property Value
Exhibit D	Lease Consideration
Exhibit E	Reporting Requirements
Exhibit F	Form of Memorandum of Lease

MRC Preliminary Location



Legend

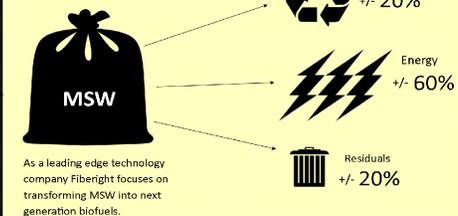
- Town/Owner Preferred Location
- Property Lines
- 100' ROW
- Streams
- Proposed Building Location
- Town Boundaries
- Business
- Commercial Service
- Industrial
- Industrial 2
- Interchange
- Residential A
- Rural



MAP NOTES:

- 1: SITE DATA DEVELOPED BY CES, INC., DECEMBER 2015.
- 2: ELEVATION DATA COURTESY OF MAINE OFFICE OF GIS (MEGIS).
- 3: PARCEL AND ZONING DATA COURTESY OF THE TOWN OF HAMPDEN.
- 4: BASE MAPPING LAYERS ARE SERVER-BASED IMAGERY, TOPOGRAPHIC IMAGES, OR TERRAIN DEPICTIONS COURTESY OF ESRI. ACQUIRED OCT. 2014.
- 5: MAP IS PROJECTED USING THE UNIVERSAL TRANSVERSE MERCATOR (UTM) PROJECTION, ZONE 19 NORTH, METERS AND REFERENCES THE NORTH AMERICAN DATUM OF 1983 (NAD83).
- 6: NORTH ARROW IS REFERENCED TO GRID NORTH.
- 7: INTENDED FOR REFERENCE PURPOSES ONLY. THE MRC & CES, INC. AND THEIR AFFILIATES ARE NOT RESPONSIBLE FOR THE MISUSE OF THIS MAP OR DATA DEPICTED HEREIN.

Fiberight will:



As a leading edge technology company Fiberight focuses on transforming MSW into next generation biofuels.



Municipal Review Committee
Project No.: 10973.002
Updated: 10/13/2015 (Final)

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA/USCS, AEX, Geomatics, AeroGRID, IGN, JSP, swisstopo, and the GIS User Community





Timeline

2015

October

Draft contracts mailed to member communities for review

October - November

MRC works with member communities to review and receive feedback on contract key provisions and terms

December

MRC Annual Meeting; presentation on its post-2018 solution

Board finalizes Site Lease, Master Waste Supply and municipal Joinder Agreements and sends to members

Upcoming Meetings:

October 28 MRC Board Meeting, 10 AM, Lincoln Event Center, 8 Prince St., Lincoln

November 5 Update for Members, 6 PM, Orono Town Office, 58 Main St., Orono

December 16 MRC Annual Meeting, 3 PM, Cross Insurance Center, 515 Main St., Bangor

2016

January - May

Communities hold formal votes. MRC will work with member communities to place to the agreements before the local legislative body (town/city council meetings and annual town meetings) for approval

May

Achieve financial close of the transaction – 150,000 ton minimum reached

June

\$5M Construction Funds released for site road and infrastructure, construction complete sufficient to accommodate site development and facility construction

October-November

Fiberight commences sitework and facility construction

Fiberight will:



Recyclables
+/- 20%



Energy
+/- 60%



Residuals
+/- 20%

As a leading edge technology company Fiberight focuses on transforming MSW into next generation biofuels.

2017 - 2018

Facility constructed/equipment installed

Performance Test conducted to confirm facility is ready for commercial operation

April 1, 2018

Facility begins accepting MSW from the Joining Municipalities

Send Questions and Comments to:

Greg Louder, Executive Director

395 State Street

Ellsworth, Maine 04605

Phone: (207) 664-1700

Email: glouder@mrcmaine.org

WHY FIBERIGHT?

After extensive analysis, in 2014 the MRC Board resolved to work with Fiberight on an exclusive basis to implement a facility in Maine using their proprietary process. The MRC's decision considered the following:

- ✓ Fiberight's process offers an approach that increases the capture of recyclables
- ✓ Fiberight's process offers a much higher rate of conversion of organic materials to high-value and readily-marketable products than either anaerobic digestion or large-scale composting
- ✓ Fiberight operates economically at a scale that fits the MRC region and does not rely on out-of-state waste to run
- ✓ Fiberight will build, finance, own and operate the facility, which reduces the financial risks to the MRC and the member communities

Three legal documents will govern the arrangement:

Joinder Agreements Between the MRC and each community that opts to participate. This agreement references the legal agreements MRC will have with Fiberight.

MRC is seeking local legislative approval of members between January—May 2016

Master Waste Supply Agreement and Site Lease Between MRC and Fiberight. MRC to provide a minimum of 150,000 tons of MSW annually and govern Fiberight's right to build on and use MRC owned land.

MRC Members will receive the draft documents in October 2015 and the final documents in late December 2015 for approval between January 2016—May 2016.

KEY PROVISIONS: WHAT YOU NEED TO KNOW

Term 15 years, with extension opportunities

Tip Fee and Rebate Formula The tip fee will start at \$70 per ton and adjust annually with CPI. Rebates are anticipated, however, the revenue sharing language has not yet been finalized.

Acceptable Waste Same as the definition in the PERC Waste Disposal Agreement.

Construction MRC will own the land, build the access road and provide water supply and sewer service. Fiberight will finance, construct, operate and own the processing facility.

Disposal Contingencies MRC has a long-term contract with Waste Management to accept residuals from the Fiberight facility as well as to dispose of MSW from Joining Members under a variety of circumstances.

- If PERC closes early or Fiberight is delayed past April 1, 2018 in accepting waste through no fault of its own, communities will arrange for delivery of their MSW to the Crossroads Landfill and pay a tip fee of \$62 per ton.
- If Fiberight is delayed as a result of its own actions, Joining Members will pay the tip fee specified in the Joinder Agreement and Fiberight will arrange and pay for transportation to Crossroads Landfill.

Waste Obligation Joining Members will be required to send waste under their control to the Fiberight facility. The Joinder Agreement does not require an annual tonnage guarantee.

Recycling and Organics There are no set requirements regarding recycling, thus providing Joining Members local flexibility. The Fiberight process capitalizes on the organic content of MSW to produce valuable products for market.

- Joining Members can keep their existing programs unchanged. Or, Members can continue their recycling programs and have the recyclables delivered to the Fiberight facility for a yet to be determined tip fee that will be lower than the MSW tip fee rate.
- Fiberight will process MSW and capture recyclables missed at local level.
- The Fiberight process utilizes the organic matter in MSW to generate bio gas for sale in the local gas distribution system. Other organic residuals will be used to create biomass to fuel the facility. While the contract does not limit a Member's ability to start or enhance local waste reduction or yard waste composting programs, it would prohibit Members from directing organic materials to facilities that would be competitors with Fiberight.

Did you know that the MRC is available to answer your questions and help you with the review and action process through general public presentations and through responses to individual inquiries?

Contact Greg Louder by phone: (207) 664-1700 or e-mail: glounder@mrcmaine.org for help!



Selection of the Fiberight Technology

The MRC decision to include a waste processing facility using Fiberight technology in its plan for MSW management after 2018 was the output of a long and deliberative process.

2007: the first MRC investigations of emerging technology for MSW processing.

The MRC first began investigating alternative technologies for MSW processing and conversion in 2007. At that time, the MRC focused on methods for updating or retrofitting the PERC facility to extend its life beyond 2018 while maximizing diversion and reducing environmental impacts and overall solid waste management costs. Among the approaches that were investigated were plasma arc reduction, gasification, pyrolysis, thermal de-polymerization, anaerobic digestion and mixed waste composting.

2009: the resolution to extend waste disposal agreements with the use of the PERC facility.

In 2009, the MRC Board passed a resolution that extending the waste disposal agreements for use of the PERC facility was the preferred option for waste management after 2018, provided that it could be implemented at acceptable cost and on reasonable terms. The MRC then proceeded to work with the private owners of PERC to analyze multiple options and a broad range of scenarios on parallel paths. In addition to consideration of emerging technologies, those options included conversion of the PERC facility to mass-burn technology and purchase of the PERC facility by the MRC.

2011: the focus on updating or retrofitting the PERC facility

By the end of 2011, it became clear that use of the PERC facility after 2018 would not be economic without significant retrofit to incorporate alternative technologies. The MRC then investigated down-sizing the PERC facility in order to end acceptance of out-of-state waste, minimize future exposure to shortfall penalties for not delivering sufficient waste, and avoid disincentives to town implementation of waste reduction programs (e.g., pay-as-you-throw systems) and additional recycling programs. Unfortunately, the MRC's analysis showed that the continued operation of the PERC facility at reduced capacity, without out-of-state waste and without a subsidized electricity price, could not be implemented at an acceptable cost, nor did the private partners in PERC put forth any proposal accomplishing these goals.

2013: solicitation of emerging technology vendors and developers.

In 2013, the MRC began active solicitation of vendors that might develop technology alternatives to the PERC facility. The MRC issued a Request for Expressions of Interest (RFEI), advertised nationally, to encourage vendors to provide qualifications and conceptual plans to bring their emerging waste management technology in Maine, either by retrofitting the PERC

facility or by building a new facility on a new site. The MRC received 15 responses representing a wide range of approaches to facility development and use of technology. The responses included proposals for development of, among other things:

- Dirty dry MRFs for recovery of recyclables from mixed MSW through various mixes of manual and automated sorting, with organics management through conventional composting, anaerobic digestion and/or direct gasification for electricity generation.
- Facilities to manage MSW through materials recovery and production of pelletized fuel.
- A MRF for recovery of recyclables from mixed MSW that had been subjected to a wet pulping process, with a unique approach to anaerobic digestion that involves enzymatic hydrolysis for conversion of insoluble organics to sugars for further processing.

2014: selection of Fiberight.

After extensive analysis, in 2014 the MRC Board resolved to work with Fiberight on an exclusive basis to implement a facility in Maine using their proprietary wet pulping and enzymatic hydrolysis process. The MRC's decision considered the following points:

- Fiberight's wet pulping process offers an approach that recovers more high-quality recyclable materials with less reliance on manual sorting than a conventional dry dirty MRF.
- Fiberight's enzymatic hydrolysis process offers a much higher rate of conversion of organic materials to high-value and readily-marketable products than either (a) conventional anaerobic digestion, which cannot process insoluble organic material and, as a result, generates large flows of wastewater requiring treatment or discharge; and (b) large-scale composting from mixed waste, which yields low-value products with seasonal markets.
- Fiberight can operate economically at a scale that fits the MRC region and does not rely on out-of-state waste to run efficiently.
- Fiberight proposed to build, finance, own and operate the facility, which further reduced the financial risks to the MRC and the municipalities it represents.

2015 and beyond: facility development, permitting, approval, construction and operation.

The MRC has now entered into a development agreement with Fiberight, LLC; acquired an option to purchase a site in Hampden where the facility might be built; and worked with Fiberight to prepare and submit permit applications for the facility to the Maine Department of Environmental Protection. Going forward, the MRC anticipates the following schedule:

- Spring 2016: Approval of agreements between Fiberight, the MRC and municipalities that would deliver their solid waste to the facility.
- Summer 2016: financing and the start of construction.
- Spring 2018: start of commercial operation

For more information on the Fiberight facility and the MRC Plan for MSW management after 2018, contact Greg Lounder, Executive Director, MRC, at (207) 664-1700 or glounder@mrcmaine.org.



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Municipal Joinder Agreement

Will be Exhibit C to the Master Waste Supply 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 public entity] [private 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 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, 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 obtain commitments from 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 MRC has acquired an option (the "Site Option") to purchase property in Hampden, Maine (the "Site") suitable for development of the Facility.

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 [_____, 2015] 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.

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

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

"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 Joining Members to meet the aggregate annual delivery requirement prescribed under the Master Waste Supply Agreement.

"Departing Municipalities" shall mean Charter Municipalities that elect not to become Joining Members.

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

"Equity Charter Municipalities" shall mean those Charter Municipalities holding a limited partnership interest in the PERC Partnership.

"Estimated Delivery Amount" shall mean the estimated quantity of Acceptable Waste to which Joining Member has agreed pursuant to Section 3.03(b).

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

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

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

"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 from time to time.

"**MSW Diversion Charge**" shall mean the assessment against 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

"**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 the both parties to 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 disposed of as provided in **Exhibit B**.

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 shall be given 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 and, beginning on the Commercial Operation Date and continuing through the Term of this Agreement, to 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 and 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.

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. 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.

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, an MSW Diversion Charge 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 pro rata share of any penalty billed to MRC by the Company as a consequence of such diversion.

3.3 Aggregate Delivery Requirements.

(a) Joining Member acknowledges that, under the terms of the Master Waste Supply Agreement, the MRC has committed to cause the Joining Members to deliver, in the aggregate, not less than 150,000 tons per Contract Year to the Facility, and that, in order to support the financing of the Facility, the Master Waste Supply Agreement provides that the MRC shall in certain circumstances to 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. Joining Member agrees to the foregoing Estimated Delivery Amount and acknowledges that it is reasonable in light of 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.

(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 Board of Directors which shall have the authority to determine the amount and timing of contributions to the Fund, 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 required to be delivered by it pursuant to the terms of this Agreement, the MRC shall assess each such Joining Member its ratable share of the payment, as determined by the MRC Board of Directors (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.

(iii) Third, to the extent that the proceeds of Delivery Diversion Charges and amounts available in the Delivery Assessment Reserve Fund are not adequate to fully fund a Delivery Sufficiency Payment, the MRC may assess each Joining Member its ratable share of such penalty, as determined by the MRC Board of Directors, 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 to the payment of the Delivery Sufficiency Payment.

3.4 Changes in Waste Delivery Patterns. Joining Member shall not alter the scope of its responsibility for collection, transfer and transportation of MSW originating within its borders as of the Effective Date without providing notice to and receiving the consent of the MRC, which consent may be withheld only if 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 in a violation by the Joining Member of its obligation to deliver Acceptable Waste generated within its borders exclusively to the Facility. Joining Member shall give notice of all such planned changes to the MRC prior to implementation. As of the Effective Date, Joining Member shall not, without the prior consent of the Company and prior approval from the MRC, 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 in 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.

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 and 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, 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 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 setting forth the number of tons of material delivered by or on behalf of Joining Member and accepted at the Facility during the preceding month and the tip fee due in respect of such deliveries. 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 payable to it under the Master Waste Supply Agreement. Without limiting the generality of the foregoing, Joining Member acknowledges that the MRC may direct disposition of rebates received from the Company in such manner as the MRC Board 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 Minimum Delivery Assessment against Joining Member; (ii) amounts designated by the MRC Board to be deposited in the Delivery Assessment Reserve Fund; (iii) any special assessment determined by the MRC Board 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 Board; and (v) costs

occasioned by the delivery by or on behalf of Joining Member of quantities of Unacceptable Waste determined by the MRC Board to be excessive.

(b) The Company shall determine rebates due Joining Member on a quarterly basis as provided in the Master Waste Supply Agreement and shall forward its calculation to Joining Member and the MRC. The MRC shall review and accept or dispute the calculation of rebates due and shall notify 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 Board may deem appropriate, pay to each Joining Member its allocable share of remaining distributable proceeds.

4.4 Early Commitment Rebate. [Under Consideration] Joining Members which commit to deliver MSW under the Master Waste Supply Agreement by executing and delivering joinder agreements on or before later of May 1, 2016 or the date of Joining Member's regularly scheduled town meeting, if applicable, shall be entitled to receive a supplemental rebate (the "Early Action Rebate") equal to [] per ton of its Estimated Delivery Amount as of the Commercial Operation Date. The Early Action Rebate, if any, shall be paid no later than ninety (90) days following the Commercial Operation Date.

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. It further acknowledges that, in order to accomplish that objective in an efficient and effective manner, it hereby is delegating to the MRC authority to manage the disposal of MSW pursuant to this Agreement and the Master Waste Supply Agreement. Without limiting the generality of the foregoing, Joining Member hereby authorizes the MRC to act in its behalf (a) to enforce the obligations and covenants 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) prosecuting or otherwise participating in administrative and court proceedings in its own name and/or in the name of Joining Member related to the Project; (d) review and acceptance of tip fees, rebates and other payments to the MRC and/or Joining Members; (e) administration of the receipt, application and distribution of rebates and other payments including the establishment and funding of such reserve funds as the MRC Board may

deem appropriate from time to time; (f) negotiate and enter into in the name of and on behalf of Joining Member and other Joining Members contracts related to the 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.

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, 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 Board may deem to be appropriate.

ARTICLE 6

TRANSPORTATION, BYPASS AND DISPOSITION OF UNACCEPTABLE 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 consult with the MRC regarding 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) if needed as of April 1, 2018:

(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 and consult with the Joining Members to implement arrangements that avoid or minimize additional transportation costs to the Joining Member.

(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.

6.3 Disposition of Unacceptable Waste. Joining Member shall not deliver Unacceptable Waste to the Back-up Facility, agrees to pay the full cost to the Back-up Facility of managing deliveries of Unacceptable Waste delivered by or on behalf of the Joining Member, and shall indemnify the MRC, its members directors, officers and agents against any such costs.

ARTICLE 7 DISPOSITION OF EXISTING ASSETS ADMINISTERED BY THE MRC

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 upon expiration of the Existing PERC Contracts.

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, resulting directly or indirectly from any failure by Joining Member to perform fully, in any respect, its obligations under this Agreement.

8.2 Indemnification by MRC. The MRC agrees to defend, indemnify, and hold harmless Joining Member, its elected officials, officers, agents, and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly 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.

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 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 14.5 of this Agreement.

8.6 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), 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 VIII, 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 shall constitute a waiver or diminution by Joining Member or the MRC of any immunities or statutory limitations on liability.

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. Notwithstanding the provisions of Section 9.1, the MRC may, after consultation with the Joining Members, 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 MRC 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 under this 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. 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.

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.

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 Consultation. 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 and consult with the Joining Members 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 Board of Directors with respect to any such default or Force Majeure.

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.

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.

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, the Parties shall submit the dispute to non-binding mediation by a neutral and otherwise qualified mediator reasonably acceptable to both parties within fourteen (14) days following the expiration of the time period for informal negotiations. In the event that the Parties fail to agree upon a mediator within such 14 day period, either Party may request that a mediator be appointed through the American Arbitration Association in accordance with its commercial arbitration rules. The Parties shall attempt in good faith to resolve the dispute through mediation for a period not to exceed sixty (60) days, unless such time period is modified by written agreement of the Parties. Each Party may decide in its sole discretion whether to participate in mediation beyond the 60 day period or any agreed upon extension.

(iv) In the event that the dispute is not resolved after the end of the period for mediation, 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 one (1) year from the date on which the claim arose, and failure to bring such claim within such one 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.

(v) 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 mediator or 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

delivery 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 bear 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 PERC Assets**
- C Components of Ratification**

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**Exhibit A
Master Waste Supply Agreement**

Exhibit B

Disposition of Equity Reserve Funds and Partnership Interests

[1 thru 3 below are all under consideration]

1. Tip Fee Stabilization Fund. The MRC presently administers a reserve account (the "Tip Fee Stabilization Fund") in the amount of approximately \$24,000,000 for the benefit of the Charter Municipalities. In anticipation of termination of the Existing PERC Contracts, and at such time as the MRC Board may deem appropriate, the MRC shall dispose of the Tip Fee Stabilization Fund as follows:

(a) first, to pay to Charter Municipalities that do not elect to become Joining Members ("Departing Municipalities") their allocable share of the Fund as determined by the MRC Board;

(b) second, to fund MRC expenditures as contemplated by the Master Waste Supply Agreement and this Agreement including, without limitation, acquisition of the Site and development of related infrastructure;

(c) third, to provide initial funding for the Delivery Assessment Reserve Fund in such amount as the MRC Board may determine to be appropriate;

(d) fourth, to fund such additional reserve accounts in connection with the Project as the MRC Board may determine to be necessary or prudent to address unforeseen circumstances; and

(e) fifth, to distribute the balance to the remaining Charter Municipalities pro rata on such basis as the MRC Board may determine to be fair and equitable.

2. Operating Fund and Operating Budget Stabilization Fund. The MRC also presently administers an Operating Fund and an Operating Budget Stabilization Fund (collectively, the "Operating Funds"). It is anticipated that amounts remaining in these Funds will be nominal at the time of termination of the Existing PERC Contracts. In anticipation of such termination, and at such time as the MRC Board may deem appropriate, the balance remaining in the Operating Funds will be deposited in a new operating fund to fund operation of the MRC beyond termination of the Existing PERC Contracts.

3. Debt Service Reserve Fund. The MRC presently has a right to receive funds in a reserve account (the "Debt Service Reserve Fund") 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 benefit of the Equity Charter Municipalities. Provided that funds remain in the Debt Service

Reserve Fund, upon release of that fund by the PERC Partnership's senior lender, the MRC shall distribute any funds remaining in the Debt Service Reserve Fund within sixty (60) days of their release to the Equity Charter Municipalities their allocable share of the Fund to be determined by the MRC Board based on tonnage delivered by each Charter Municipality during the term of the financing to which the Debt Service Reserve Fund relates.

4. 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.

Exhibit C to the Municipal Joinder Agreements
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 on enforceability of the Agreement and delegation of authority by municipal counsel (or acceptance of a blanket legal opinion from Eaton Peabody)

- 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

- 4.0 Specific authorization for the MRC by Equity Charter Municipalities
 - Delegate to the MRC the authority to manage the financial assets allocated to the Joining Member in the MRC Tip Fee Stabilization Fund, the MRC Operating Budget Stabilization Fund, the MRC Operating Fund and the Debt Service Reserve Fund, by distribution to the Equity Charter Municipality; by transfer to a reserve fund to

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support the Joinder Agreement, Master Waste Supply Agreement or Site Lease; or for expenditure to meet an obligation set forth in the Joinder Agreement, Master Waste Supply Agreement or Site Lease.

- Delegate to the MRC authority to establish terms for Departing Municipalities, if any

MASTER WASTE SUPPLY AGREEMENT

This Agreement is made and entered into effective as of _____ (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 Fiberight, LLC ("Fiberight", or, together with its successors or assigns, the "Company"), a Delaware limited liability company with offices at 1450 South Rolling Road, Baltimore, Maryland 21227.

WHEREAS, the MRC is an association organized as a Maine nonprofit corporation with a membership as of the Effective Date comprised of 133 Maine municipalities and public entities representing 187 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 private 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 (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 not less than 150,000 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 in Hampden, Maine (the "Project Site"), which would be appropriate for the development of the Facility.

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

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negotiated a long-term lease (the "Site Lease") of a project site located off Cold Brook Road in Hampden, Maine (the "Project Site") for use by Fiberight to develop, construct, maintain and operate the Facility, and the MRC has granted to Fiberight an option (the "Lease Option") to lease the Site on the terms set forth in the Site Lease following exercise of the Site Option by the MRC; and

WHEREAS, the MRC and the Company seek to establish a common set of terms and conditions pursuant to which Charter Municipalities, and other interested Maine municipalities and public and private 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;

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 pursuant to Section 3.0 of the Site Lease.

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 be.

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

"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 currently delivering MSW to the PERC Plant pursuant to the Existing PERC Agreements.

"Commercial Operation Date" shall have the meaning set forth in the Site Lease.

"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 which 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.

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"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.

"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 Target" shall mean, for each Contract Year, an aggregate amount of not less than 150,000 tons of MSW delivered to the Facility from the Joining Members as a group.

"Development Agreement" shall mean the Development Agreement between the Company and the MRC dated February 4, 2015, as it may be amended from time to time.

"Effective Date" shall have the meaning given to such term in the recitals of this Agreement.

"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 12.

"Excused Delay Period" shall have the meaning set forth in Section 1.0 of the Site Lease.

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

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

"Facility" shall mean the waste processing facility developed and constructed 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.

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

"Financial Close" shall have the meaning set forth in Section 6.5 of the Site Lease.

"Force Majeure" shall mean any unforeseeable act, event or condition, not in effect as of the Effective Date, that has had, or may reasonably be expected to have, a material adverse impact on the rights or the obligations of either party under this Agreement; or a material adverse effect

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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. 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.

"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.

"Joinder Agreements" means 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.

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"**Law**" means a federal state or local statute, ordinance, regulation, rule or order issued by a governmental authority with jurisdiction over its subject matter.

"**Lease Option**" means the option dated _____ granting to the Company the option to enter into the Site Lease.

"**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).

"**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 the both parties to this Agreement.

"**PERC Partnership**" means the Penobscot Energy Recovery Company Limited Partnership, a Maine limited partnership which owns and operates the PERC Plant.

"**PERC Plant**" means the waste-to-energy plant in Orrington, Maine owned by the PERC Partnership with which the Charter Municipalities have contracted to dispose of their MSW through March 31, 2018 pursuant to the Existing PERC Agreements.

"**Performance Standards**" shall mean the standards referenced in Section 7.4 of the Site Lease.

"**Performance Test**" shall mean the test described in Section 7.4 of the Site Lease.

"**Project Site**" means the site upon which the Facility is to be constructed and operated as more particularly described in the Site Lease.

"**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. "**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**" means the option to enter into the Site Lease from the MRC to the Company dated _____, 2015.

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

"**Tipping 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**.

3. WASTE DELIVERY

3.1 Delivery Commitments in Advance of Construction. The MRC shall secure commitments from Joining Members to deliver to the Facility, in the aggregate, not less than 150,000 tons of Acceptable Waste per year during the term of this Agreement, 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) 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;

(ii) an acknowledgement that, subject to subparagraph (iv) below, nothing in this Agreement shall be construed to limit the right of each 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) 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.

(iii) a covenant that the Joining Member shall not alter the scope of its responsibility for collection, transfer and transportation of MSW originating within its borders as of the Effective Date without providing notice to and receiving the consent of the MRC, which consent may be withheld only if 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 in a violation by the Joining Member of its obligation to deliver Acceptable Waste generated within its borders exclusively to the Facility;

(iv) a covenant that, after the effective date of the Joinder Agreement, the Joining Member will not, without the prior consent of Fiberright, 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, for management through other facilities or programs for management of the organic components of MSW, 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;

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(v) an estimate, expressed in tons per year, of expected annual deliveries of Acceptable Waste to be made by the Joining Member to the Facility, 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 Municipality;

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

(vii) 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 will use reasonable commercial efforts (i) to obtain Joinder Agreements from municipalities and other municipal entities representing an aggregate commitment to deliver not less than 150,000 tons per year of Acceptable Waste commencing on the Commercial Operation Date; and (ii) to continue to encourage Maine municipalities and municipal entities to become Joining Members by executing Joinder Agreements until [January 1, 2017] (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 which the Company projects it will be able to accept at the Facility once it becomes operational.

3.3 Commitment to Development of Project. Although it is the objective of the MRC to ultimately enter into Joinder Agreements with Joining Members sufficient in the aggregate to assure delivery to the Facility on an annual basis a minimum of 150,000 tons of Acceptable Waste, the parties acknowledge that such commitments may not be secured by the commencement of construction of the Facility. If the MRC does not achieve the aggregate delivery minimum of 150,000 tons by the summer of 2016, the Company and the MRC will continue exerting commercially reasonable efforts to develop the Facility until such time as the Project either is completed or abandoned in accordance with the terms of the Development Agreement.

3.4 Delivery Commitments Prior to Commercial Operation Date. The MRC acknowledges that, prior to the Commercial Operation Date, and potentially prior to termination

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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 150,000 tons (the "Delivery Target"). 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 sufficient additional MSW 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. MRC is obligated to support such efforts by the Company and to initiate and implement complementary efforts.

3.7 Determination of Achievement of Delivery Target. At the end of each Contract Year, the Company shall provide written notice to the MRC (a "Delivery Sufficiency Notice"),

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with supporting data, to indicate whether the Delivery Target for the immediately preceding Contract Year has been met. For purposes of determining whether the Delivery Target has been met, the Company shall 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 commercial haulers or other the 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) MSW that would have been delivered to the Facility and credited toward the Delivery Target, but was instead not accepted by the Company due to an outage at the Facility or other cause and was bypassed to an alternative disposal site;

(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. 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 (A) 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; (B) instruct the Company to offset the amount of the Delivery Sufficiency Payment against future rebates otherwise payable to the MRC; or (C) 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

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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 14.5. 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 this Section 4.0, 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 Parties. 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 against costs related to any such deliveries. 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

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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. 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, at the Company's sole cost and expense; provided, however, that the Company reserves the right to pass the handling and disposal expenses through to any Hauler reasonably identified by video evidence or otherwise as having delivered such Unacceptable Waste. In all such cases, the MRC shall receive copies of any notices or invoices sent to such hauler. The Company agrees to cooperate in good faith with the MRC to make arrangements for management and disposal of categories of MSW not processible 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 delivery to the Facility. Notwithstanding the foregoing, deliveries of MSW to the Facility by or on behalf of Joining Members shall have priority over deliveries from other customers.

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 (i) 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; and (ii) MSW is not being accepted from customers other than Joining Members, it being understood and agreed that Joining Members shall have first priority for acceptance of delivered waste.

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.

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4.6 Bypass 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, the MRC shall arrange for Joining Members to 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, 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 Residuals Disposal. The Company shall dispose of Residuals in such manner as may be allowed by Law and at its sole cost and expense. The MRC, in consultation with the Company, shall use reasonable commercial efforts to secure appropriate initial arrangements for management of non-hazardous Residuals that would be generated as the result of normal operation of the Facility, provided that such Residuals are not Hazardous Waste and do not otherwise have characteristics that would preclude disposal in a secure Maine landfill. The Company shall manage disposal of all Residuals materials from the Facility consistent with such arrangements and shall be responsible for securing appropriate contracts in connection therewith and for all extensions or replacements of the initial agreements for Residuals disposal. The MRC shall use reasonable commercial efforts to encourage Joining Members to divert materials from the Facility prior to delivery through targeted reduction, source separation and diversion

programs, which are not suitable for processing into products at the Facility and would, if delivered and processed, become Residuals.

5. PAYMENT

5.1 Tipping Fee. 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 or decrease 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 within ten days of the start of any calendar year in sufficient detail to allow the MRC to review the calculation and to accept or dispute it.

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.

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 so that the MRC can review such calculations. 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 14.5 hereunder.

The Company shall have the right to offset overdue amounts payable and overdue 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 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 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 such calendar week and the amount due from such Joining Member for such calendar week. The amount due shall be equal to the then applicable Tipping Fee multiplied by the number of tons (rounded to the nearest ton) delivered by the Joining Member to the Facility during such calendar week.

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 except to the extent that it is contesting the amount of the invoice 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.

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 or indirectly 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, in any respect, its obligations under this Agreement.

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 or indirectly 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.

6.3 Notice. A Party asserting a right to indemnification under this Article 7 (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

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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 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 14.5 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), 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 7, 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 MRC and the Company each agree to keep confidential all Confidential Information of the other except that each may disclose such information to its officers, directors, members, managers, agents 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 MRC and the Company each agrees that it will not use any Confidential Information obtained from the other for any purpose other than in connection with this Agreement.

7.3 Required Disclosures. Notwithstanding the foregoing, either 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 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, the giving of which shall be in the other Party's sole discretion. Any attempt at any such assignment, transfer, or sale without the consent of the other Party 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. 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 to an Affiliate that is directly controlled by the Company (a "Related Entity") or to an investor which will own and operate the Facility in connection with financing for the Facility; provided that in the case of any such permitted assignment, (i) the transferee has demonstrated to the reasonable satisfaction of the MRC its financial capability, including access to committed funds, sufficient to complete development and construction of the Project and to operate the Facility during the term of this Agreement, (ii) unless the MRC shall otherwise agree in writing, the Company shall continue to have day-to-day control of and responsibility for operations and the Facility, (iii) 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 or delayed, (iv) unless the MRC otherwise agrees in writing, the Company shall have confirmed to the MRC in writing that both Fiberight and any assignee will remain jointly and severally liable for all obligations of the assignee hereunder; (v) 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 Effect of Bankruptcy. Without limiting the generality of the foregoing, in the event any bankruptcy or insolvency proceedings are instituted by or against a Party, and the proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event a Party is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which a Party is a party, and such receiver is not discharged within a period of ninety (90) days after his or her appointment, any such event or other involuntary assignment for the benefit of creditors shall be deemed to constitute a breach of this Agreement by such Party and shall, at the election of the other Party, but not otherwise, give that Party the right to terminate this Agreement.

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9. REPRESENTATIONS AND WARRANTIES

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

(i) Organization and Good Standing. The Company 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. The Company 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 certificate of organization or operating agreement of the Company. This Agreement constitutes a legal, valid and binding obligation of the Company and is enforceable in accordance with its terms. Execution and delivery of this Agreement by the Company and the performance by it of its obligations hereunder does not and will not (i) 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 Company is a party or by which it is bound; (ii) violate any statute, rule, regulation or ordinance of any governmental authority, or; (iii) result in the imposition of any lien, encumbrance, charge or claim upon the Facility. The Company 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 Company, there is no proposed, pending or threatened change in any law, code, ordinance or standard which 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 Company, proposed or threatened legal proceeding or other action affecting the Company which could have a material and adverse effect on its ability to fulfill its obligations under this Agreement or to operate the Facility.

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 (i) 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; (ii) violate any statute, rule, regulation or ordinance of any governmental authority; or (iii) 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 which 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 which could have a material and adverse effect on its ability to fulfill its obligations under this Agreement.

10. DEFAULT; TERMINATION; REMEDIES

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

(i) The Company shall have failed to fulfill its 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 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.

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(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 a material adverse effect, or has the potential 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 sixty (60) days thereafter or, if the default is of a such a nature that it cannot reasonably be cured within sixty (60) days, the Company has failed to commence to cure the default within such sixty (60) 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. Each of the following shall constitute an Event of Default as to the MRC:

(i) The MRC shall have failed to fulfill its 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 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 agree 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 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, this Agreement shall terminate automatically unless both 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.

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10.4 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.

10.5 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.

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 either Party if an Event of Default has occurred and is continuing with respect to the other Party and has not been cured within any applicable cure period; or (iii) unilaterally at the option of either Party in accordance with Section 13 .

12. [RESERVED]

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 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 party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, such party shall provide to the other party 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

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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 either 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 a 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 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 and consult with the Joining Members, and shall negotiate in good faith with the other 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; [and (ii) the effect of accepting the Force Majeure Plan would be to increase the Tip Fee by the equivalent of less than 20 percent,] the Company shall proceed to implement the Force Majeure Plan as anticipated therein and the dispute shall be resolved in accordance with Section 14.5.

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13.5 Rejection of Force Majeure Plan. In the event that (i) the MRC and the Company cannot reach agreement on a Force Majeure Plan that was proposed by the Company; and (ii) the effect of accepting the Force Majeure Plan would be to increase the Tip Fee by the equivalent of more than 20 percent, 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.

13.4 Nothing in this article shall relieve the Company from its obligation to comply with any law or regulation or other lawful order.

14. OTHER PROVISIONS

14.1 Regulatory Compliance. Fiberight 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, the Parties shall make a good faith effort to modify the Agreement to make it financially practicable and legal. If such modification of this Agreement cannot be agreed upon, this Agreement may be terminated by either Party.

14.2 RESERVED

14.3 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. Neither Party shall have the authority to contractually bind the other 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 the other Party for any purpose.

14.4 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.

14.5 Dispute Resolution.

(i) Any dispute arising under this Agreement shall be resolved only in accordance with this Section 14.5.

(ii) 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.

(iii) If the Parties cannot resolve the dispute informally within fourteen (14) days of such written notice, the Parties shall submit the dispute to non-binding mediation by a neutral and otherwise qualified mediator reasonably acceptable to both parties within fourteen (14) days following the expiration of the time period for informal negotiations. In the event that the Parties fail to agree upon a mediator within such 14-day period, either Party may request that a mediator be appointed through the American Arbitration Association in accordance with its commercial arbitration rules. The Parties shall attempt in good faith to resolve the dispute through mediation for a period not to exceed sixty (60) days, unless such time period is modified by written agreement of the Parties. Each Party may decide in its sole discretion whether to participate in mediation beyond the 60 day period or any agreed upon extension.

(iv) In the event that the dispute is not resolved after the end of the period for mediation, 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 one (1) year from the date on which the claim arose, and failure to bring such claim within such one 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.

(v) 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 mediator or 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.

14.6 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: 1450 South Rolling Road
 Baltimore, MD 21227
 Attention: Craig Stuart-Paul
 Email: craigsp@fiberight.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.

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

14.8 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.

14.9 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.

14.10 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.

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14.11 Entire Agreement. This Agreement, together with the Development Agreement and the Site Lease, shall constitute the entire agreement between 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.

14.12 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.

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

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

14.15 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.

14.16 Public Announcements. Public announcement of this Agreement shall 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.

14.17 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.]

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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:
Title:

LIST OF EXHIBITS

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

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Exhibit A

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.

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"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.

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EXHIBIT B

Delivery Sufficiency Payment

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Exhibit C

Form of Joinder Agreement

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Exhibit D

Form of Site Lease

Exhibit E Delivery Requirements

(will address operating hours, weighing procedures, truck identification, truck condition and cleanliness, Acceptable Waste, unloading and load inspection procedures, etc.)

PROCEDURE

Haulers delivering materials on behalf of member communities should:

- describe project on gate receipt
- write driver's name and hauling company on gate receipt
- submit gate receipt to the City Clerk or other authorized official

Credits are claimed after monthly statements are received by member communities. For further explanation or additional information about how the program works, contact the Agency accounting department.

ENFORCEMENT

Scale house personnel are the point of contact for the hauler and issue gate receipts to drivers. approves community claims for credit and processes payment of invoices.

Exhibit F

Rebate Calculation

[to come]

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FOR DISCUSSION PURPOSES ONLY

SITE LEASE

This Site Lease (the “*Site Lease*” or “*Lease*”) is made and executed on this day of , 2016 (the “*Effective Date*”), by and between the Municipal Review Committee, a Maine nonprofit corporation with offices at 395 State Street, Ellsworth, Maine 04605 (the “*MRC*” or “*Landlord*”) and FIBERIGHT, LLC, a Delaware limited liability company with offices at 1450 South Rolling Road, Baltimore, Maryland 21227 (“*Fiberight*” or “*Tenant*”).

WHEREAS, the Landlord is or will be on or before the Effective Date the owner of a certain lot or parcel of land containing approximately 90 acres located on the easterly side of the Coldbrook Road in Hampden, Maine, in substantially the same location and configuration as generally depicted on **Exhibit A**, and bounded northeasterly by land and/or easements now or formerly of Emera Maine (formerly Bangor Hydro Electric Company), bounded southerly and southwesterly by land now or formerly of H.O. Bouchard, Inc., and bounded northerly by the centerline of a private road leading from Coldbrook Road to the northeasterly corner of the Property in substantially the same location as depicted on **Exhibit A** (the “*Property*”); and

WHEREAS, the Landlord and the Tenant have entered into a Development Agreement dated February 4, 2015 (the “*Development Agreement*”) pursuant to which Fiberight proposes to develop, construct, maintain and operate on the Property a municipal solid waste processing facility (the “*Facility*”), as more particularly described in **Exhibit B**; and

WHEREAS, the Landlord and the Tenant have entered into a Master Waste Supply Agreement as of December , 2015 setting forth the terms on which members of the MRC will deliver waste to the Facility for processing; and

WHEREAS, the Landlord has entered into Joinder Agreements with Joining Members pursuant to which each Joining Member has agreed to deliver waste to the Facility pursuant to the Master Waste Supply Agreement; and

WHEREAS, the Tenant has determined that such Joinder Agreements will assure delivery of a sufficient quantity of waste to the Facility in order for the Tenant to proceed with financing and construction of the Project; and

WHEREAS, the Tenant and the Landlord are sufficiently advanced in the permit acquisition process to allow the Project to proceed and, accordingly, wish to enter into this Lease as contemplated by the Development Agreement; and

WHEREAS, the Board of Directors of the Landlord and the duly authorized managers of the Tenant have each approved the execution and delivery of this Lease; and

WHEREAS, the Parties acknowledge that the Tenant's use of the Property and the Leased Premises is to be at all times subject to terms and conditions imposed by applicable law or regulation including, without limitation, rules and regulations of the Town of Hampden, Maine, and the Maine Department of Environmental Protection;

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

SECTION 1.0
DEFINITIONS

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

"Affiliate" means a person or entity controlled by, or under common control with, another person or entity.

"Capital Improvements" has the meaning set forth in Section 9.0

"Change in Law" means any of the following that has, or could reasonably be anticipated to have, a material affect on the rights or obligations of a party under this Agreement: (a) the adoption, modification, promulgation or interpretation after the date of the Financial Close of any federal, state or local statute or regulation or ordinance relating to the Facility or the Project Site that is inconsistent with and more stringent than what was in effect on the Financial Close; (b) the imposition after the date of the Financial Close of any material new condition or requirement in connection with the issuance, renewal, or modification of any governmental permit, license or approval relating to the Facility or the Project Site that is inconsistent with and more stringent than what was in effect as of the Financial Close or that had been agreed to in any application of the Tenant or Landlord 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 and more stringent than the law or any 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 a Change in Law.

"Commercial Operation Date" has the meaning set forth in Section 7.4.

“Construction Access Date” has the meaning set forth in Section 7.2.

“Construction Date” has the meaning set forth in Section 6.

“Contract Year” shall mean the twelve (12) month period that begins on the first day of the calendar month that immediately follows the Commercial Operation Date and each twelve (12) month period thereafter, provided that the last Contract Year shall end as of the date of termination of this Site Lease.

“Development Agreement” means the Development Agreement between the Landlord and the Tenant dated February 4, 2015.

“Effective Date” means the date of this Lease as set forth in the Preamble.

“Environmental Attributes” shall include renewable identification number products (RINs), carbon emissions offsets or greenhouse gas reduction credits, renewable energy certificates associated with the production of electricity or other products from biogas, and similar products whose value is created by the processing of solid waste or production of biogas or other products at the Facility.

“Environmental Laws” has the meaning set forth in Section 22.

“Event of Default” has the meaning set forth in Section 18.

“Excused Delay Period” means the period of delay, if any, in achieving the Commercial Operation Date beyond April 1, 2018 attributable to delays not under the control of the Tenant, including delays in the Construction Access Date and the Infrastructure Completion Date as described in Section 7.2 hereunder, or delays in the supply of Acceptable Waste for the Performance Test as described in Section 7.4 hereunder, but excluding performance of subcontractors and equipment suppliers not deemed due to Force Majeure.

“Extension Term” has the meaning set forth in Section 3.

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

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

“Financial Close” has the meaning set forth in Section 6.5.

“First Responders” has the meaning set forth in Section 5.8.

“Force Majeure” means any act, event or condition occurring after the Effective Date that has had, or may reasonably be expected to have, a material adverse effect on the rights or the 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, and (vi) a Change in Law. 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” means a plan developed in compliance with the requirements of Section 17.3.

“Hazardous Materials” has the meaning set forth in Section 22.

“Incurable Lease Defaults” has the meaning set forth in Section 19.8.

“Infrastructure” means the access road to be constructed from Coldbrook Road to the Project Site and water and sewer lines constructed to serve the Project Site

“Infrastructure Completion Date” has the meaning set forth in Section 7.2.

“Initial Term” has the meaning set forth in Section 3.

“Joining Member” means a municipality or other entity that has entered into a Joinder Agreement with the MRC pursuant to which it is obligated to deliver waste to the Facility for processing under the Master Waste Supply Agreement.

“Landlord” has the meaning set forth in the Preamble hereof.

“Lease” or ***“Site Lease”*** means this site lease.

“Leased Premises” has the meaning set forth in Section 2 and **Exhibit A**.

“Master Waste Supply Agreement” means the Master Waste Supply Agreement entered into by the Landlord and the Tenant dated [December 31, 2015] pursuant to which Joining Members will deliver waste to the Facility for processing or any successor agreement.

“MSW” means municipal solid waste.

“Out-of-State Waste” means MSW generated outside of the State of Maine.

“Performance Standards” means the standards referenced in Section 7.4.

“Performance Test” means the test described in Section 7.4.

“Permitted Uses” has the meaning set forth in Section 2 hereof.

“Pre-Construction Condition” means the physical and environmental condition of the Leased Premises on the Effective Date.

“Project Site” has the meaning set forth in Section 2 and **Exhibit A**.

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

“Property Permits” has the meaning set forth in Section 5.

“Related Entity” has the meaning set forth in Section 10.3.

“Rent” has the meaning set forth in Section 4 and **Exhibit D** hereof.

“*Substantial Damage*” has the meaning set forth in Section 23.

“*Tax Incentives*” means credits, deductions, rebates or other measures granted by a taxing authority which have the effect of reducing the taxes or assessments which otherwise would be imposed on the Tenant or its Affiliates, business partners or other entities that would realize the benefits of such incentives; the Leased Premises; or the Project; by such taxing authority.

“*Tenant*” has the meaning set forth in the Preamble hereof.

“*Tenant Permits*” has the meaning set forth in Section 6.

“*Tenant’s Work*” has the meaning set forth in Section 7 and **Exhibit B**.

“*Term*” has the meaning set forth in Section 3.

SECTION 2.0

DEMISE; DESCRIPTION OF THE LEASED PREMISES; PERMITTED USES

The Landlord leases to Tenant, and Tenant leases from the Landlord, that portion of the Property more particularly described in **Exhibit A** attached hereto (the “*Project Site*”), together with appurtenant rights thereto, to be used in common with others including the Landlord, (i) to use the private road leading from Coldbrook Road to the Project Site shown on said plan and described in **Exhibit A** to access the Project Site and for all other purposes for which public ways may now or hereafter be used, (ii) to drain stormwater from the Project Site and the private road identified in subsection (i) above and to tie into stormwater facilities, poles, wires, utilities, utility extensions and interconnections, metering facilities, management facilities, and other similar equipment, lines, facilities and items on the Property, all as further shown on the aforesaid plan, and (iii) to install, construct, use, repair, maintain, replace and relocate from time to time additional cables, conduits, pipes, pumps, poles, wires, utilities, utility extensions and interconnections, metering facilities, management facilities, and other similar equipment, lines, facilities and items on the Property, in each case on the portions of the Property more particular shown on the plan referenced in and described in **Exhibit A** (such locations identified in subsections (i), (ii) and (iii) above, together with Project Site, the “*Leased Premises*”). The Leased Premises are demised for the purposes of permitting, constructing, operating, and maintaining the Facility described on and generally in accordance with **Exhibit B** (the “*Permitted Uses*”). The Tenant shall own the Facility, which shall be and remain the personal property of the Tenant, and it shall not become a fixture on the Leased Premises. Only the

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Leased Premises shall be leased. Subject to the provisions below, Landlord shall prepare and execute a Certificate of Personalty to this effect in recordable form reasonably acceptable to the parties.

Notwithstanding the foregoing lease of rights at subsections (i), (ii) and (iii) above, the Tenant acknowledges and agrees that it is Landlord's intention that the private road referred to above will be accepted by the Town of Hampden as a public way and, upon such acceptance, any private rights granted above that are included within any such acceptance are automatically terminated and the Landlord reserves the right to relocate or remove any appurtenances and improvements referred to above if a) required by the Town of Hampden and b) those services provided by or addressed by such appurtenances and improvements are otherwise substantially available to Tenant.

SECTION 3.0
TERM

3.1 Term. The initial term of this Site Lease 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 otherwise terminated in accordance with its terms . Subject to the limitations in Section 3.2 below, the Tenant shall have the right to extend the Lease 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 Landlord exercising such right to an Extension Term, which notice shall be given by the Tenant no later than eighteen (18) months prior to the expiration of the then current Term, provided that Tenant shall provide notice to Landlord at the same time of a parallel extension of the Master Waste Supply Agreement. Upon timely exercise of each right to extend, the Term shall be automatically extended, provided that there is no then existing Event of Default on the part of the Tenant under this Lease at either the time of the Tenant’s exercise of its right to extend the Term or the commencement of the applicable Extension Term. In the event that the Tenant elects not to extend the Term, then, upon expiration of the Term without further extension, the Tenant shall have not more than 180 days to remove all of the Tenant’s equipment and personal property from the Property, leaving no further condition requiring remediation in order to comply with applicable law, permits or regulation; provided that the Tenant has left no further condition requiring remediation for compliance with applicable law, permits and regulations, and court and administrative orders, title to the building shall pass to the Landlord. If such a condition does exist, the Tenant shall proceed diligently and at its own cost to remediate such condition to the extent required in order to bring the Property into compliance with applicable law, permits and regulations. Unless the Landlord elects to take title sooner, title to the building and fixtures shall remain in the Tenant until completion of such remediation whereupon it shall pass to the Landlord. The Tenant agrees to execute and deliver such instruments of transfer as may be necessary or appropriate to pass title to the Landlord. Tenant shall cause to be performed, at its sole expense, such environmental site assessments as Landlord may reasonably require in order to provide assurance to Landlord that any conditions on the Property requiring remediation have been remediated to the extent required in order to bring the Property into compliance with applicable law, permits and regulations.

3.2 Right to Terminate. Notwithstanding receipt of a notice from Tenant exercising a right to an Extension Term, in the event that Joining Members have provided termination notices to the MRC under their Joinder Agreements such that the Delivery Target (as defined in the Waste Supply Agreement) would be less than 150,000 tons, then the Landlord shall have the right at the end of the Initial Term, or any Extension Term, to terminate this Agreement by written notice to the Tenant, which notice shall be given not later than eight (8) months prior to the expiration of

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the then current Term. In order to be effective, such notice of termination shall be accompanied by both of the following offers:

(a) An offer from Landlord to Tenant to purchase the building constructed by Tenant on the Project Site at the price and on the terms set forth for such sales in **Exhibit C** as of the date of termination. In the event that Tenant accepts such offer, Landlord and Tenant shall proceed in good faith to close such sale as soon as possible subject to customary terms and conditions. Unless agreed otherwise, Tenant shall remove all of Tenant's equipment and personal property from the Property and shall take such actions as may be necessary or appropriate in order to bring the Project Site into compliance with applicable law, permits or regulation, and court or administrative orders, prior to the effective date of termination on a schedule to be agreed upon by Landlord and Tenant. Tenant shall cooperate with the transfer of any applicable Facility Permits to Landlord, to the extent that they are transferable, and would survive the termination of the Site Lease and the removal of Tenant's equipment and property from the Property, and shall cooperate with such other arrangements as are necessary or appropriate for the transfer of the ownership of the building from the Tenant to the Landlord; or

(b) An offer from Landlord to Tenant to sell the Property to Tenant at the price and on the terms set forth for such sales in **Exhibit C** as of the date of termination. In the event that Tenant accepts such offer, Landlord and Tenant shall proceed in good faith to close such sale as soon as possible subject to customary terms and conditions. Unless otherwise agreed, Landlord shall remove all of Landlord's equipment and personal property from the Property by the date of termination on a schedule to be agreed upon by Landlord and Tenant, shall cooperate with the transfer of any applicable Facility Permits to Tenant to the extent that they are transferable and would survive the termination of the Site Lease and the removal of Landlord's equipment and property from the Property. Landlord shall cooperate with such other arrangements as are necessary or appropriate for the transfer of the ownership of the Property from the Landlord to the Tenant. In the event Tenant does not accept such offer, then, as of the date of termination, provided that Tenant has left no further condition requiring remediation for compliance with applicable law, permits or regulation, Tenant will be deemed to have abandoned the building, title of which shall pass to the Landlord; provided, however, that if such a condition does exist, the Tenant shall proceed diligently and at its own cost to remediate such condition to the extent required in order to bring the Property into compliance with applicable law, permits and regulations. Unless the Landlord elects to take title sooner, title to the building and fixtures shall remain in the Tenant until completion of such remediation whereupon it shall pass to the Landlord. The Tenant agrees to execute and deliver such instruments of transfer as may be necessary or appropriate to pass title to the Landlord.

3.3 Survival. The terms of this Section 3.0 shall survive termination of this Agreement.

SECTION 4.0
RENT, ACCESS AND SERVICES

4.1 Rent. The Tenant shall pay the Rent and all other sums required to be paid by the Tenant under this Lease in the amounts, at the times, and in the manner provided in this Lease, and shall keep and perform all the terms and conditions on its part to be kept and performed hereunder. Except as otherwise specifically provided in this Lease, the Tenant shall not offset payments of Rent owed to the Landlord against any payments Landlord might owe Tenant. The Landlord and Tenant acknowledge and agree that the payments of Rent and other consideration for this Lease shall be as set forth in Exhibit D attached hereto.

4.2 Included Landlord Rights and Services. The Landlord shall provide to the Tenant with the following access and services on an ongoing basis, at the sole cost of the Landlord:

(a) an access road to be constructed by or on behalf of Landlord over an easement providing access from Coldbrook Road to the Leased Parcel until such time as the access road is accepted by the Town of Hampden as a public way;

(b) access to [electric power], water supply and sewer to be constructed by or on behalf of the Landlord or by a municipal authority running from Coldbrook Road or the Ammo Industrial Park to the Project Site;

(c) reasonable use of the Property outside the Leased Premises, not otherwise leased to a third party or developed or utilized by Landlord, on a temporary basis during construction of the Facility, as may be needed from time to time during such construction period, but only for Permitted Uses and only with Landlord's prior approval which shall not be unreasonably withheld;

(d) maintenance and plowing of the access road leading from the public way to the Project Site until such road is accepted by the Town of Hampden as a public way.

4.3 Excluded Services. The Tenant shall be responsible for making its own arrangements for installation, connection and purchasing of the following utilities and services, if and as needed, and the Landlord shall cooperate with the Tenant's efforts for making such arrangements as are reasonably required:

- (a) electricity service and implementation of an electrical interconnection with the Emera Maine electric distribution system;
- (b) natural gas service and implementation of an interconnection with a natural gas distribution system;
- (c) telephone service; and
- (d) internet service.

SECTION 5.0
QUIET POSSESSION: LANDLORD RIGHT OF ENTRY;
TENANT RIGHT OF ACCESS

5.1 Covenant of Quiet Enjoyment. The Landlord covenants that the Landlord has full right to make and enter into this Lease and that, subject to any rights of others lawfully entitled to use easements appurtenant to the Project Site, the Tenant shall have quiet and peaceable possession of the Leased Premises during the Term of this Lease free from interference by any party claiming by, through or under the Landlord, so long as the Tenant pays the Rent and observes and keeps the covenants of this Lease on its part to be kept. The Landlord reserves for itself, its agents and employees the right to enter and inspect the Leased Premises and the Facility subject to the provisions of this Lease.

5.2 Tax Incentives and Environmental Attributes. The Landlord acknowledges that all Tax Incentives and Environmental Attributes created as a consequence of the financing, construction or operation of the Facility by or on behalf of Tenant or its Affiliates shall belong solely to the Tenant.

5.3 Condition of Premises. The Tenant accepts the Leased Premises in the same condition in which they or any part thereof are as of the Effective Date, and except as otherwise provided in this Lease, waives all rights to object to the condition thereof and assumes all risks in connection therewith, without any representation or warranty, express or implied, in fact or in law, including but not limited to the suitability or fitness of the Project Site, Leased Premises or Property for Tenant's intended use, on the part of the Landlord other than as expressly set forth herein, and without recourse against the Landlord.

5.4 Facility Permits. The Tenant acknowledges that operation of the Facility is subject to

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applicable law, to regulation by federal, state and local government authorities and to permits, approvals, licenses and directives pertaining to such facilities (collectively, the “Facility Permits”). The Tenant covenants that the operation of its Facility and its use of the Leased Premises will not violate the terms of the Facility Permits, and that the Landlord has the right hereunder to ensure that the Facility and the Tenant's activities conducted on the Leased Premises are operated in compliance with the Facility Permits. .

5.5 Environmental and Nuisance Impacts. The Tenant shall use reasonable efforts to operate and maintain the Facility in a manner that minimizes potential adverse environmental and nuisance impacts upon residents of the surrounding areas, which efforts shall include, without limitation, the following:

(a) The Tenant shall utilize measures to minimize and control fugitive odors and shall not allow production of objectionable odors that significantly exceed ambient levels as detected at or outside the borders of the Property.

(b) The Tenant shall not allow the Facility to produce noise that significantly exceeds ambient levels as measured or detected at or outside the borders of the Property.

(c) Vehicular access to the Facility shall be restricted during non-delivery hours.

(d) The Leased Premises shall be kept reasonably free of waste and other debris other than in designated indoor waste delivery locations.

(e) Driveways and other roads on the Leased Premises shall be kept in good order and repair and relatively free of litter.

The Tenant shall maintain and publicize a means for residents of nearby areas to contact the Facility to report the occurrence of any potential adverse environmental or nuisance impacts. The Tenant shall respond promptly to all such reports and shall act diligently to end or mitigate such impacts quickly. The Tenant shall keep a log of the date, time and nature of all such contacts and responses, and shall provide the log to the MRC on request and on a regular basis.

5.6 Inspection Rights. The Tenant shall permit the Landlord, its agents, invitees and employees to enter into and on the Leased Premises at all reasonable times and upon reasonable prior notice, provided such notice is no less than twenty four (24) hours in advance, for the purpose of inspecting the Leased Premises and enforcing the obligations and requirements set forth in this Lease or under applicable law with respect to the construction, operation, maintenance or removal of the Facility and Tenant’s use of the Facility, the Leased Premises and

the Property; provided, however, that the Landlord shall not be permitted to access secure or restricted areas within the Leased Premises unless accompanied by a representative of the Tenant. The Landlord shall comply with all reasonable requirements of the Tenant for protection of health and safety during such entry and inspections. The Tenant shall cooperate fully with such inspections, which shall not interfere unreasonably with the Tenant's operation of the Facility or fulfillment of other obligations under the Lease.

5.7 Access. The Tenant and its employees shall be allowed 24-hour access to the Leased Premises, on each day of the Term, subject to compliance with the requirements of this Lease and applicable law.

5.8 Emergency Access. In coordination with the police and fire departments, and other emergency responders (together, "First Responders") that serve the Property, the Tenant shall develop and maintain a plan for continuous timely response to emergency situations that pose a potential adverse threat to the public health, safety, environment or the Property. The Tenant shall provide appropriate training and coordination to ensure that such First Responders are familiar with the Facility and with appropriate, proper and safe response measures to protect the public health, safety and environment. The Tenant agrees that, in the event of an emergency, First Responders shall have the right to enter the Leased Premises with or without permission from the Tenant or the Landlord. The Tenant shall provide the Landlord with emergency contact information for key personnel and shall ensure that such information is at all times current. Notwithstanding anything in this Lease to the contrary, in the event of an emergency to which the Tenant does not respond timely, the Parties acknowledge and agree that the Landlord and its agents and employees shall have the right (but not the obligation) to enter the Leased Premises at any time and without prior notice to Tenant, for the purpose of taking all actions necessary or reasonably appropriate to respond to such emergency condition.

SECTION 6.0
DEVELOPMENT OF THE FACILITY

6.1 Tenant Development Responsibilities. The Tenant shall take such actions as may be required to cause the Construction Date to occur no later than January 1, 2017. To complete such development, as applicable, the Tenant shall complete the detailed design of the Facility; acquire all permits and approvals that are necessary prerequisites to the leasing of the Leased Premises hereunder and commencement of construction of the Facility ("**Tenant Permits**"); enter into business and contractual arrangements to provide labor, equipment, services, materials, and supplies as necessary for construction; cooperate with the Landlord to arrange for the management or disposal of residual materials to be generated by the Facility; make arrangements to obtain financing for construction; and take all other necessary and appropriate actions related thereto. The Tenant shall be responsible for any indemnification, financial assurance, compliance or other obligations or requirements contained in any permits or approvals to the extent related to the Tenant's development of the Facility and use of the Leased Premises, including without limitation any host community agreements or payments. The Tenant shall provide the Landlord with copies of all permits, licenses and approvals, and with all correspondence with the issuing agencies and entities.

6.2 Landlord Development Responsibilities. The Landlord shall be responsible for the following: (i) the development and permitting, and arranging for construction and maintenance as described herein, of an access road from Coldbrook Road and related electrical utility line and water supply and wastewater collection infrastructure leading to the Project Site either, at Landlord's election, from Coldbrook Road or from the Ammo Industrial Park in Hampden, Maine; (ii) taking reasonable measures to cooperate with the Tenant's development efforts as described in Section 6.A, above including, without limitation, in connection with the submittal of additional permit applications, permit modifications, interpretation of key provisions, responses to agencies and in review and negotiation of conditions affecting the Leased Premises and the Property, potential environmental impacts or potential nuisance conditions. In connection therewith, the Landlord shall (a) provide available data and information regarding the Leased Premises and the Property to the extent necessary or appropriate to support the Tenant's efforts to obtain Tenant Permits, without any warranty or representation as to the accuracy or sufficiency thereof, and (b) shall (A) become a co-applicant and co-permittee with the Tenant for the purpose of seeking necessary permits or permit amendments and (B) coordinate with and make reasonable efforts to support the Tenant's access to the Property and the Leased Premises and with respect to the availability of and access to utilities, infrastructure, and other Landlord services available on the Property.

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6.3 Design and Permit Application Review. The Landlord hereby acknowledges its consent to all Tenant work described in **Exhibit B** and to any future repairs, renovations, replacements, or upgrades by Tenant of the work described in **Exhibit B**, subject to the terms hereof. The Tenant shall provide the Landlord with a reasonable opportunity to provide non-binding comments on (a) the detailed design of the Facility at appropriate stages prior to its completion; and (b) permit application materials prepared by the Tenant prior to their submittal to the applicable governmental agency or agencies. The Landlord shall have the option to respond with non-binding comments within a reasonable time. The Tenant shall retain complete responsibility for all aspects of the design of the Facility and for all content of applications and submittals for Tenant Permits.

6.4 Reports. The Tenant shall provide reports to the Landlord as set forth in **Exhibit E**.

6.5 Construction Date. The construction date (the “*Construction Date*”) shall be deemed to occur on the date that the Tenant has (a) acquired all Tenant Permits that are necessary prerequisites to construction of the Facility and related access, services and utilities and all such permits are final; (b) closed and/or arranged final terms of access to Fiberight of construction financing for sufficient funds to authorize commencement of construction of the Facility (“Financial Close”); and (c) authorized commencement of construction activities at the Leased Premises on a continuous basis, as evidenced by the Tenant’s issuance of a notice to proceed to start construction or equivalent. The Tenant shall provide prompt notice to the Landlord upon achievement of each such milestone.

SECTION 7.0
CONSTRUCTION OF THE FACILITY

7.1 Tenant Construction Responsibilities. The Tenant shall construct the Facility in accordance with **Exhibit B** and **Exhibit E** attached hereto (hereinafter, the “*Tenant’s Work*”) in a good and workmanlike manner, at the Tenant’s sole cost and expense. The Tenant shall perform, or manage performance of, all aspects of construction of the Facility, in which capacity Tenant shall, among other things, manage labor, installation of equipment, acquisition and use of materials and supplies and all related administration; ensure that the Facility is constructed in accordance with the design, is capable of performing as intended, avoids unacceptable nuisance impacts, meets applicable safety requirements, and complies with all applicable permits, codes, requirements, and standards; respond to unforeseen conditions or impacts of the construction, and manage and mitigate adverse impacts; coordinate with the Landlord to ensure that activities on the Leased Premises and the Property are in compliance with all permits and approvals; coordinate with the Landlord regarding communications with approving authorities; fund any site improvements outside of the Project Site that are required to serve the Facility, including, but not limited to, electrical interconnections, utility service upgrades, and interconnections with gas and other facilities elsewhere on the Property, if applicable, but exclusive of those facilities that are to be developed or upgraded by the Landlord as provided herein; conduct start-up and commissioning activities for the Facility; conduct the Performance Test for the Facility; and take other necessary and appropriate actions. Tenant shall work with the Landlord to ensure compliance with all directives of governmental authorities related to the Facility and the Leased Premises.

The Tenant shall use reasonable efforts to cause the Commercial Operation Date to occur on April 1, 2018, or as soon thereafter as feasible, provided that Tenant shall not be required to commence its construction activities if any of the following conditions exist (any of which conditions might be waived at the discretion of Tenant):

(a) Joinder Agreements have not yet been executed with commitments to provide a total of at least 150,000 tons per year of Acceptable Waste to the Facility.

(b) Any Facility Permit that must be acquired as a prerequisite to construction has not yet been issued despite the diligent efforts of the Tenant to obtain such Facility Permit; or the Tenant has identified at least one term or condition of an issued Facility Permit that would preclude construction or operation of the Facility on commercially reasonable terms.

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(c) An Uncontrollable Circumstance or Change in Law has occurred and is ongoing that would preclude construction or operation of the Facility on commercially reasonable terms.

(d) The Tenant has not achieved Financial Close despite its diligent efforts to do so.

If for any reason not under the control of Tenant, the Commercial Operation Date is delayed beyond April 1, 2018, then the period of delay in Tenant's construction schedule attributable to the delays not under the control of Tenant, including delays in the Construction Access Date and the Infrastructure Completion Date as described in Section 7.2 hereunder, or delays in the supply of Acceptable Waste for the Performance Test as described in Section 7.4 hereunder, but excluding performance of subcontractors and equipment suppliers not deemed due to Force Majeure, shall be deemed an Excused Delay Period for the purposes of the Master Waste Supply Agreement.

7.2 Landlord Construction Responsibilities. The Landlord shall be responsible for constructing and maintaining an access road to the Project Site from Coldbrook Road, and for ensuring that water and sewer lines are constructed to serve the Project Site (together, the "**Infrastructure**"). Landlord and Tenant shall cooperate to confirm the occurrence of the date by which the Landlord shall have made sufficient progress in construction of the access road such that the Tenant's construction vehicles and equipment have reasonable access to the Project Site (the "**Construction Access Date**") and the date on which the Landlord shall have completed installation of the Infrastructure such that its availability does not delay the Tenant's completion of construction and commencement of operation of the Facility (the "**Infrastructure Completion Date**"). In each case, upon occurrence of such date, the Landlord shall issue a completion certificate as evidence that the date has occurred. The Tenant shall provide written notice to the Landlord that it either accepts or disputes such certification, provided that such a certification shall be deemed accepted if the Landlord has not received a notice of dispute from the Tenant within five (5) business days. The Landlord shall use reasonable efforts to cause the Construction Access Date and the Infrastructure Completion Date to occur as quickly as feasible, provided that the Landlord shall not be required to commence its construction activities if any of the following conditions exist (any of which conditions might be waived at the discretion of Landlord):

(a) Joinder Agreements have not yet been executed with commitments to provide a total of at least 150,000 tons per year of Acceptable Waste to the Facility.

(b) Any Facility Permit that must be acquired as a prerequisite to construction has not yet been issued; or the Tenant has identified at least one term or condition of an issued Facility

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Permit that would preclude construction or operation of the Facility on commercially reasonable terms.

(c) A Force Majeure has occurred and is ongoing that would preclude construction or operation of the Facility on commercially reasonable terms.

(d) The Tenant has not achieved Financial Close.

If for any reason not under the control of Tenant (i) the Construction Access Date is delayed beyond [September 1, 2016], or (ii) the Infrastructure Completion Date is delayed beyond [July 31, 2017] **UPDATE BOTH DATES BEFORE SIGNING PER THEN-CURRENT SCHEDULE**, and, as a consequence, Tenant's construction schedule is delayed such that the Commercial Operation Date is delayed beyond April 1, 2018, then the period of delay in Tenant's construction schedule attributable to the delays in the Construction Access Date and the Infrastructure Completion Date shall be accounted for in the determination of the Excused Delay Period for the purposes of the Master Waste Supply Agreement.

7.3 Schedule and Excused Delay Period. The Tenant shall maintain a detailed construction schedule that identifies critical tasks on the path from Financial Close to the achievement of the Commercial Operation Date, including, but not limited to, key milestone dates for the Tenant as well as the Construction Access Date, the Infrastructure Completion Date, and any period of time previously agreed upon as an Excused Delay Period. The Tenant shall provide an updated version of the construction schedule to the Landlord at least once per month until the Commercial Operation Date has been achieved, and otherwise upon request of the Landlord. Along with the construction schedule, the Tenant shall provide the Landlord with the most recently agreed upon determination of the length of the Excused Delay Period, if any, and any proposal for a further extension of the Excused Delay Period. The Landlord shall review the Tenant's proposal to add to the length of the Excused Delay Period and shall act timely to accept, dispute, or seek clarification or more time to review or negotiate such proposal. In the absence of a response from the Landlord within five days of receipt, the Tenant's determination of the length of the Excused Delay Period shall be deemed accepted.

7.4 The Performance Test. The Tenant shall perform the Performance Test as provided below in order to demonstrate the readiness of the Facility for commercial operation.

(a) Not less than ninety (90) days prior to the Commercial Operation Date, the Tenant shall provide to the Landlord a protocol for performing a test (the "**Performance Test**") that indicates (a) aspects of performance to be verified, which shall include, at a minimum, (i) capability to accept and process a minimum of 650 tons per day of Acceptable Waste on an

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ongoing basis over a period of three consecutive days 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) capability 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; (b) procedures for conducting and monitoring the performance of the Facility during the Performance Test, including acceptable ranges for key operating parameters, and requirements for the availability of Acceptable Waste for the Performance Test to be performed as intended; and (c) specific levels of performance (the “*Performance Standards*”) that must be exceeded for the Facility to be considered as having passed the Performance Test. The Tenant and the Landlord shall work in good faith to reach agreement on the protocol for the Performance Test by a date not less than thirty (30) days before the Performance Test date elected by the Tenant with reasonable notice to the Landlord.

(b) The Landlord shall have the right to witness and monitor the Performance Test. The Tenant shall provide the Landlord with ten (10) days’ notice of a 14 day window that contains the scheduled date for the start of the Performance Test, and shall communicate changes in such scheduled date to the Landlord on a timely basis after such initial 10 day notice has been provided. The Tenant shall then provide the Landlord with 24 hours’ notice of the actual start of the Performance Test.

(c) After completion of the Performance Test, the Tenant shall provide the Landlord with a test report, and all supporting data, stating whether (a) the Performance Test was performed in accordance with the test protocol; (b) the key operating parameters were within acceptable ranges and the Performance Standards were met or exceeded over the course of the Performance Test; and (c) the Facility operated during the Performance Test in substantial compliance with all Facility Permits and without creating nuisance conditions. If the Tenant states that the Facility so performed during the Performance Test, and such statement is either accepted or not disputed in writing by the Landlord within five (5) business days of receipt of the test report, then the Commercial Operation Date shall be deemed to have occurred as of the later of (i) date on which the Performance Test was completed; and (ii) April 1, 2018. Landlord may dispute such result by written response stating the basis for the dispute, in which case the Commercial Operation Date shall be deemed to occur as if the Performance Test results had been accepted until the dispute is resolved, and thereafter in accordance with the decision resolving the dispute.

(d) The Landlord acknowledges that the Performance Test cannot be performed as intended unless sufficient quantities of Acceptable Waste are made available to the Facility for processing, which the Landlord, with the cooperation and support of the Tenant, shall use its best efforts to supply pursuant to the Master Waste Supply Agreement. In the event that the Tenant is not supplied on a timely basis with sufficient Acceptable Waste to perform the Performance Test, and the Commercial Operation Date is delayed as a direct result, then the length of the Excused Delay Period shall be increased by the duration of such delay.

SECTION 8.0

OPERATION OF THE FACILITY

8.1 Operation and Maintenance by Tenant. The Tenant shall manage all aspects of the operation and maintenance of the Facility, including management of labor, operation, maintenance and repair of equipment, acquisition and use of materials and supplies, production and sales of products, management of residual materials, and related administration. The Tenant shall use reasonable efforts to ensure that the Facility performs as intended, and otherwise to ensure that the operation and maintenance of the Facility avoids and mitigates unacceptable nuisance impacts, meets applicable safety requirements, and complies with all applicable permits, codes, requirements, and standards. The Tenant shall acquire and accept waste and other materials to be processed; respond to unforeseen conditions or impacts of the Facility, and manage and mitigate adverse impacts; coordinate with the Landlord regarding communications with approving authorities; operate and maintain Tenant site improvements outside of the Leased Premises that are required to serve the Facility, including, but not limited to, electrical interconnections, utility service upgrades beyond anticipated line extensions, and interconnections with other facilities, if applicable.

8.2 Tenant Maintenance Standards. The Tenant shall, at its sole cost and expense, keep neat and clean, and replace and maintain in good order and condition, the Leased Premises throughout the Term. Throughout the Term of this Lease, the Tenant shall comply, at its sole cost and expense, with all applicable federal, state and local laws, ordinances, orders, rules, regulations, and requirements affecting the Leased Premises; provided, however, that nothing in this Lease shall waive any right of the Tenant under applicable law to contest such laws, ordinances, orders, rules, regulations or requirements. The Tenant shall work with the Landlord to ensure compliance with all lawful directives of governmental authorities related to the Facility and the Leased Premises.

8.3 Landfill Disposal of Residual Waste. The Tenant shall establish procedures, and shall use reasonable efforts to enforce such procedures, to minimize landfill disposal of incoming waste by

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ensuring that, to the extent commercially reasonable, (i) solid waste is not delivered to the Facility unless it can be accepted and processed at the Facility; and (ii) processed materials are marketed and sold as products for use off the Property rather than becoming residual waste that is either stockpiled or sent to a landfill for disposal. At the end of each month, the Tenant shall report to the Landlord the quantity of materials produced, the quantity sent to a landfill in such month, and the cumulative quantity of materials sent to a landfill in the then current Contract Year.

8.4 Record-keeping. During the Term of this Lease, and for a period of three (3) years thereafter, each party shall keep and maintain complete and accurate records and all other data required by each of them for the purposes of proper administration of this Lease. Each party shall have the right, at its sole expense during normal business hours upon seven (7) days prior written notice to the other party, to examine the other party's records and data relating to this Lease only to the extent necessary to verify the accuracy of any statement, charge, notice or computation made hereunder. Either party shall have the right to cause an audit to be made by an independent certified public accountant, at its own expense, reasonably acceptable to the other party with respect to any determination made hereunder. If the audit reveals that the record keeping or accounting of a Party is inaccurate in any material respect, then such Party shall be responsible to pay for the cost of the audit.

8.5 Reports and Oversight. The Tenant shall provide reports as detailed in **Exhibit E**. The Tenant shall meet with the Landlord at least quarterly to review its monthly written reports, and to report on, and permit the Landlord to comment on, MSW levels and sources received and processed, materials sold and produced, residuals generated and shipped, revenues, financial performance, compliance with permit conditions; status of permit approvals and renewals, and other material matters

8.6 Community Relations. The Tenant shall use reasonable efforts to cooperate with the Landlord to maintain good community relations.

8.7 Maintenance by the Landlord. During the Term of this Lease, the Landlord, at its sole cost and expense (subject to Section 7), and until such time as the same may have been accepted by the Town of Hampden, shall at all times keep the access road and related utility, sewer and water lines in good order, safe condition and repair, unless such repairs are required due to the fault or negligence of the Tenant or its servants, agents, employees, licensees or invitees.

SECTION 9.0
CAPITAL IMPROVEMENTS

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9.1 Definition of Capital Improvements. Subject to the provisions of this Section 9.0, the Tenant shall have the right to make such alterations, improvements, and changes to the Facility and the Leased Premises as it may deem necessary from time to time in connection with Permitted Uses. Alterations, improvements and changes other than those considered normal maintenance or equipment replacement and which either (i) cause a material change in the process flow for the Facility as described in **Exhibit B**, (ii) have a material impact on Facility performance or compliance capability, or (iii) trigger a need for a modification to any of the Facility Permits (collectively, "**Capital Improvements**").

9.2 Conditions to Implementation of Capital Improvements. The right of the Tenant to make Capital Improvements shall be subject to the following conditions:

(a) The Tenant shall apply for and obtain necessary modifications to Facility Permits at the Tenant's sole cost and expense. The Landlord will use reasonable efforts to provide available data and information related to the Leased Premises and the Property to support the Tenant's efforts to modify such permits. The Tenant shall reimburse the Landlord for reasonable third party and external costs to the Landlord in connection therewith.

(b) The Tenant shall provide the Landlord with a reasonable opportunity to review and comment on permit application materials prepared by the Tenant prior to their submission to applicable regulatory authorities. The Landlord shall conduct any such review and comment within a reasonable time frame. The Tenant shall have the right to accept or reject any comments received and shall retain complete responsibility for all aspects of the design of the Facility and for all content of applications and submissions for permits and approvals.

(c) The Tenant shall certify to the Landlord in writing that the cumulative effect of such Capital Improvements will not have a material and adverse effect on the ability of the Tenant to perform its obligations under either this Lease or the Master Waste Supply Agreement.

(d) The Tenant shall provide updated versions of **Exhibit B** and **Exhibit C** to reflect the implementation of any Capital Improvements within a reasonable time following such implementation.

SECTION 10.0
ASSIGNMENT; TRANSFERS;
EFFECT OF BANKRUPTCY OR INSOLVENCY

10.1 Prohibition of Assignment. Except as otherwise provided in this Lease, neither this Lease

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nor the leasehold estate of the Tenant nor any interest of the Tenant under this Lease in the Leased Premises or in the buildings or improvements on the Leased Premises shall be assigned, transferred, or sold, including without limitation any transfer by operation of law, in any manner whatsoever without the prior written consent of the Landlord, the giving of which shall be in the Landlord's sole discretion. Any attempt at any such assignment, transfer, or sale without the Landlord's consent shall be void and of no effect, and shall, at the option of the Landlord, terminate this Lease.

10.2 Transfer of Ownership. Notwithstanding any other provision of this Lease to the contrary, direct and indirect ownership of the Tenant may be transferred at any time and from time to time only with prior notice to and approval from the Landlord, not to be unreasonably conditioned, withheld or delayed, whether by sale, statutory merger or consolidation, security interest, collateral assignment, sales of securities (whether by private sale, initial public offering, trading on public securities markets, over-the-counter, or pursuant to warrants or options or other rights) or otherwise; *provided, however*, in the case of any such approved transfer (i) the transferee has demonstrated to the reasonable satisfaction of Landlord its financial capability, including access to committed funds, sufficient to complete development and construction of the Project and to operate the Facility during the term of this Lease, (ii) unless the Landlord shall otherwise agree in writing, Fiberight shall continue to have day-to-day control of and responsibility for Tenant operations and the Facility, (iii) 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 be approved by the Landlord, such approval not to be unreasonably withheld or delayed, (iv) unless the Landlord shall otherwise agree in writing, the Tenant and its permitted successors and assigns shall continue to be jointly and severally liable for all obligations of the Tenant under the Lease, the Tenant Permits, the Landlord Permits, and other project documents (subject to notifications and transfer requirements, if any, established by applicable law); and (v) 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.

10.3 Permitted Assignment. Notwithstanding the foregoing, Fiberight shall have the right at any time to assign its rights under this Lease, upon prior notice to the Landlord but without the Landlord's consent, to an Affiliate that is directly controlled by Fiberight (a "**Related Entity**") or to an investor which will own and operate the Facility in connection with financing of the Facility; provided that in the case of any such permitted assignment, (i) the transferee has demonstrated to the reasonable satisfaction of Landlord its financial capability, including access to committed funds, sufficient to complete development and construction of the Project and to

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operate the Facility during the term of this Lease, (ii) unless the Landlord shall otherwise consent in writing, until the Commercial Operation Date, Fiberight shall continue to have day-to-day control of and responsibility for operations and the Facility, (iii) 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 Landlord, which approval shall not be unreasonably withheld or delayed, and (iv) unless the Landlord otherwise agrees in writing, Fiberight shall have confirmed to the Landlord in writing that both it and any assignee will remain jointly and severally liable for all obligations of the Tenant hereunder; and (v) 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 Fiberight to assign, transfer, or pledge this Agreement, whether in whole or in part, to any person without the prior written consent the Landlord shall be null and void.

10.4 Effect of Bankruptcy. Without limiting the generality of the provisions of the preceding Subparagraph A of this Section, the Tenant agrees that in the event any bankruptcy or insolvency proceedings under the Bankruptcy Act or otherwise are commenced by or against the Tenant, and, if against the Tenant, the proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event the Tenant is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which the Tenant is a party, with authority to take possession or control of the Leased Premises or the business conducted on the Leased Premises by the Tenant, and such receiver is not discharged within a period of ninety (90) days after his or her appointment, any such event or any involuntary assignment prohibited by the provisions of the preceding Paragraph A of this Section shall be deemed to constitute a breach of this Lease by the Tenant and shall, at the election of Landlord, but not otherwise, without notice or entry or other action of the Landlord, terminate this Lease and also all rights of the Tenant under this Lease and in and to the Leased Premises and also all rights of any and all persons claiming under the Tenant.

SECTION 11.0
NOTICES

11.1 All notices, demands, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party to the other, 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

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

Either party may change the address at which notices are to be delivered by providing notice of such change in the manner provided above. If the Tenant shall so request, copies of all notices being provided to it shall also be provided to any Investor for which contact information has been provided in writing by Fiberight to the MRC for such purpose.

SECTION 12.0
TAXES AND ASSESSMENTS

The Tenant shall be responsible for any and all taxes, tax liabilities, assessments, levies or other governmental charges that may accrue with respect to the Leased Premises and any improvements thereon. The Tenant shall be responsible to file such applications with the appropriate authorities, on an annual basis, for an abatement, exemption or reduction in the tax liabilities due with respect to the Leased Premises.

SECTION 13.0
LIENS

13.1 Future Liens. Except as otherwise may be permitted under this Lease, Tenant shall keep all and every part of the Leased Premises and the Property free and clear of any and all

mechanics', material suppliers', and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of the Tenant, any alteration, improvement, or repairs or additions that the Tenant makes or permits or causes to be made, or any work or construction, by, for, or permitted by the Tenant on or about the Leased Premises and the Property, or any obligations of any kind incurred by the Tenant, and at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based, and to indemnify the Landlord from and against any and all such liens and claims of liens and suits or other proceedings pertaining to the Leased Premises and the Property.

13.2 Prior Liens. The Landlord warrants that the Leased Premises are, and shall remain throughout the Term, free of any prior liens or encumbrances that would interfere with Tenant's use and enjoyment of the Leased Premises.

13.3 Contest of Liens. The Landlord and the Tenant shall each have the right to contest any and all liens assessed against the Leased Premises in accordance with applicable provisions of Maine law.

SECTION 14.0

INDEMNIFICATION

14.1 Obligation to Indemnify. The Tenant shall indemnify, defend and hold the Landlord harmless against any and all claims, liability, loss, or damage whatever (including without limitation attorneys' and experts' fees) arising from acts or omissions of the Tenant or its employees, officers, agents, licensees or invitees in, on or about the Leased Premises, or a breach by the Tenant of its obligations or representations and warranties under this Lease, except in either case to the extent arising from the gross negligence or willful misconduct of the Landlord, its agents, or employees.

14.2 Survival. The provisions of this section shall survive termination of the Lease.

SECTION 15.0
INSURANCE

15.1 Insurance Coverage of Leased Premises. The Tenant shall, at all times during the Term of this Lease, and at the Tenant's sole expense, keep all improvements that are now or hereafter a part of the Leased Premises insured against loss or damage by fire and the extended coverage hazards for the full replacement value (or the actual cash value during any Extension Term) of the improvements, with loss payable to the Landlord and the Tenant as their interests may appear. During the Term, the Tenant shall also maintain for the benefit of the Tenant and the Landlord, as additional insured, such other insurance coverages as are customary in the industry including, but not limited to, (i) commercial general liability insurance, including products and completed operations coverage, against any claims for personal injury, death and property damage occurring upon, in or about the Leased Premises and on, in and about the adjoining sidewalks and passageways of at least \$_____ combined single limit, and \$_____ aggregate; (ii) worker's compensation in amounts required by Maine law; (iii) employer's liability insurance with limits of not less than \$_____ per coverage; (iv) automobile liability insurance, including the ownership, maintenance and operation of any automotive equipment, owned, hired or non-owned, in an amount not less than \$_____ combined single limit; and (v) environmental impairment insurance in an amount not less than \$_____.

15.2 Personal Injury Liability Insurance. The Tenant shall maintain in effect throughout the Term of this Lease personal injury liability insurance covering its activities on the Leased Premises for injury to or death of any number of persons in one occurrence, and property damage liability, in the minimum amount of \$_____ combined single limit. Such insurance shall include the Landlord as an additional insured and shall require the insurer to give thirty (30) days' notice to the Landlord of any cancellation.

15.3 Insurance Carried by Contractors. During the period of any construction or renovation of the Facility, the Tenant shall also require the construction manager and/or general contractor for the work to maintain (i) for the benefit of the Tenant and the Landlord, as additional insureds, commercial general liability insurance, including products and completed operations coverage, against any claims for personal injury, death and property damage occurring upon, in or about the Property and on, in and about the adjoining sidewalks and passageways during the construction of the work for at least \$_____ combined single limit, and \$_____ aggregate; (ii) worker's compensation in amounts required by Maine law; (iii) employer's liability insurance with limits of not less than \$_____ per coverage; (iv) automobile liability insurance, including the ownership, maintenance and operation of any

automotive equipment, owned, hired or non-owned, in an amount not less than \$_____ combined single limit; and (v) for subcontractors engaged in work reasonably determined to pose an environmental threat, environmental impairment insurance in an amount not less than \$_____. The Tenant shall insure that all subcontractors involved in work at the Property either maintain the insurance coverage set forth in this section or are covered under the insurance policies of the Tenant or as a contractor of the Tenant.

15.4 Additional Insurance Coverage Required. If the Tenant is required by law, regulation or regulatory order to carry insurance with coverage limits in excess of those set forth in Sections A and B of this Section 18, the Tenant shall increase insurance coverage limits to the Landlord to meet such requirements.

SECTION 16.0 **RIGHT OF FIRST OFFER**

Provided that the Tenant is not otherwise in default hereunder, the Tenant shall have a right of first offer to purchase the Property in its entirety or the Leased Premises, as applicable, if the Landlord desires to sell the Property in its entirety, or the Leased Premises, during the term of this Lease. In the event that the Landlord desires to sell either the Property in its entirety or the Leased Premises during the term of this Lease, the Landlord shall first offer the same in writing to the Tenant, which shall have thirty (30) days to accept or reject the offer. Thereafter, without first reoffering the same to the Tenant, the Landlord shall not sell the same upon lesser terms than those which have been offered to the Tenant, nor upon any terms if more than six months have elapsed since the last offer to the Tenant. These rights of first offer shall not apply to a sale or transfer to any Affiliate or successor entity to the Landlord, provided, however, that the property sold or transferred to such entity shall remain subject to these rights of first offer.

SECTION 17.0 **FORCE MAJEURE**

17.1 Change In Law; Condemnation. The Tenant shall notify the Landlord, and the Landlord shall notify the Tenant, 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 lead to a condemnation or taking by eminent domain of the Property or the Facility or to the occurrence of a Change in Law. Tenant and Landlord shall use reasonable efforts to cooperate to avoid any such action and to mitigate its potential impact on the obligations set forth in this Lease or in the Master Waste Supply Agreement.

17.2 Suspension of Obligations. If either party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Lease, such party shall provide to the other party 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 either 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 a 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.

17.3 Force Majeure Plan. As soon as feasible after providing notice that a Force Majeure has occurred, the affected party shall provide the other party a plan (the “*Force Majeure Plan*”) that contains sufficient information regarding the following:

(a) potential impacts of the Force Majeure on, as applicable, the Construction Access Date, the Infrastructure Completion Date, the Commercial Operations, the Excused Delay Period, other affected aspects of the performance of the Facility under this Agreement and the Master Waste Supply Agreement, including compliance with permit conditions; and other obligations;

(b) proposed new Capital Projects or changes in operations or maintenance practices or other 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) a proposal for 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

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payments, an increase in the Tip Fee under the Master Waste Supply Agreement and Joinder Agreements, or other changes to payment provisions, as well as any impact on the value of the Facility building as set forth in **Exhibit C**.

The party receiving the Force Majeure Plan shall review it with all deliberate speed and, if the receiving party is the Landlord, shall inform and consult with the Joining Members, and shall negotiate in good faith with the other party for a period of not more than forty-five (45) days whether to accept, accept a modified version of, accept subject to dispute, or not accept the Force Majeure Plan. The receiving party's response shall set forth in writing and in reasonable detail the basis for such decision.

17.4 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 Landlord and the Tenant cannot reach agreement on a Force Majeure Plan ; and (ii) the effect of accepting the Force Majeure Plan would be to increase the Tip Fee by the equivalent of less than 20 percent, the Tenant shall proceed to implement the proposal as anticipated therein and the dispute shall be resolved in accordance with Section 24.0.

17.5 Rejection of Force Majeure Plan. In the event that (i) the Landlord and the Tenant cannot reach agreement on a proposal that was proposed by the Tenant; and (ii) the effect of accepting the proposal would be to increase the Tip Fee by the equivalent of more than 20 percent, then, after 90 days from the receipt of the original proposal, either party can terminate this Agreement, provided that the Party simultaneously terminates the Master Waste Supply Agreement in accordance with its terms.

(a) In the event of a termination by Tenant, then Tenant shall have not more than ninety (90) days to remove all of its equipment and personal property from the Property and shall leave the Property with no condition requiring remediation for compliance with applicable law, permits or regulation. Provided that Tenant has left no further condition requiring remediation for compliance with applicable law, permits or regulation, title to the building and other fixtures shall pass to the Landlord. If such a condition does exist, the Tenant shall proceed diligently and at its own cost to remediate such condition to the extent required in order to bring the Property into compliance with applicable law, permits and regulations. In such event, and unless the Landlord elects to take title immediately, title to the building and fixtures shall remain in the Tenant until completion of such remediation whereupon it shall pass to the Landlord. The Tenant agrees to execute and deliver such instruments of transfer as may be necessary or appropriate to pass title to the Landlord.

(b) If terminated by the Landlord, such notice of termination shall not be valid unless accompanied by either of the following offers:

(i) An offer from the Landlord to the Tenant to purchase the building and fixtures constructed by the Tenant on the Project Site at the price set forth for such sales in **Exhibit C** as

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of the date of termination. In such event, the Landlord and the Tenant shall proceed in good faith to close such sale on customary terms. Unless agreed otherwise, the Tenant shall remove all of the Tenant's equipment and personal property from the Property, leaving no further condition requiring remediation for compliance with applicable law, permits or regulation on a schedule to be agreed upon by the Landlord and the Tenant, shall cooperate with the transfer of any applicable Facility Permits to the Landlord that would survive the termination of the Site Lease and the removal of the Tenant's equipment and property from the Property, and shall cooperate with such other arrangements as are necessary for the transfer of the ownership of the building from the Tenant to the Landlord; or

(ii) An offer from Landlord to Tenant to sell the Property to Tenant at the price set forth for such sales in **Exhibit C** as of the date of termination. In the event that the Tenant accepts such offer, the Landlord and the Tenant shall proceed in good faith to close such sale. The Landlord shall remove all of the Landlord's equipment and personal property from the Property by the date of termination on a schedule to be agreed upon by the Landlord and the Tenant, shall cooperate with the transfer of any applicable Facility Permits to the Tenant that would survive the termination of the Site Lease and the removal of the Landlord's equipment and property from the Property, and shall cooperate with such other arrangements as are necessary for the transfer of the ownership of the Property from the Landlord to the Tenant. In the event that the Tenant does not accept such offer, then, as of the date of termination, provided that the Tenant has left no further condition requiring remediation for compliance with applicable law, permits or regulation, Tenant will be deemed to have abandoned the building and fixtures, title to which shall pass to the Landlord. If such a condition does exist, the Tenant shall proceed diligently and at its own cost to remediate such condition to the extent required in order to bring the Property into compliance with applicable law, permits and regulations. In such event, and unless the Landlord elects to take title immediately, title to the building and fixtures shall remain in the Tenant until completion of such remediation whereupon it shall pass to the Landlord. The Tenant agrees to execute and deliver such instruments of transfer as may be necessary or appropriate to pass title to the Landlord.

17.6 Compliance with Law. Nothing in this article shall relieve the Tenant from its obligation to comply with any law, regulation or lawful order.

SECTION 18.0
DEFAULT AND TERMINATION

18.1 Landlord Right to Terminate. The Landlord may terminate this Lease by written notice to Tenant upon the occurrence and during the continuation of an "Event of Default." An "*Event of Default*" shall mean any of the following:

- (a) the Tenant fails to achieve the Construction Date on or before January 1, 2017;

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(b) the Tenant fails to achieve the Commercial Operation Date on or before January 1, 2020, as extended by any Excused Delay Period;

(c) the Tenant shall be in default of its obligations under the Master Waste Supply Agreement and such default is not cured within any applicable cure period;

(d) the Landlord suffers the actual imposition of any fines or penalties imposed by a federal, state or local governmental agency or authority caused solely by the Tenant's violation of conditions of the Tenant Permits or the Property Permits, and the Tenant fails to pay or contest such fines or penalties, or defend and indemnify the Landlord from and against such fines or penalties, within thirty (30) days of receiving written notice from the Landlord;

(e) Fiberight or any successor Tenant 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;

(f) Fiberight or any successor Tenant shall dissolve or liquidate;

(g) the Tenant fails to make any undisputed payment due hereunder within thirty (30) days after the same is due;

(h) the Tenant abandons the Facility after achieving the Commercial Operation Date as evidenced by failure of the Tenant to operate the Facility continuously for a period of sixty (60) days;

(i) the Tenant is otherwise in material breach of its obligations under this Lease or the Master Waste Supply Agreement; provided that no Event of Default, other than a payment default, shall arise or exist unless and until the Landlord has given the Tenant written notice of the alleged default, and the Tenant has failed to cure such default within a period of sixty (60) days thereafter or, if the default is of a such a nature that it cannot reasonably be cured within sixty (60) days, the Tenant has failed to commence to cure the default within such sixty (60) days and fails thereafter to prosecute such cure to completion with diligence and to cure such default within one hundred eighty (180) days of such notice.

18.2 Tenant Right to Terminate. The Tenant may terminate this Lease at any time by ninety (90) days' prior written notice to the Landlord upon the occurrence of any of the following, such termination to be effective as stated in such notice:

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(a) Prior to the Construction Date, the Tenant reasonably determines that environmental compliance requirements for which the Facility is responsible, permit conditions, permit appeals, legal action or any other factor makes construction or operation of the Facility uneconomic or practically infeasible;

(b) The Landlord is in material breach of its obligations under this Lease, provided, however, no Event of Default shall arise or exist unless and until the Tenant has given Landlord written notice of the alleged default, and Landlord has failed to cure such default within a period of sixty (60) days thereafter or, if the default is of a such a nature that it cannot reasonably be cured within sixty (60) days, Landlord has failed to commence to cure the default within such sixty (60) days and fails thereafter to prosecute such cure to completion with diligence and to cure such default within one hundred eighty (180) days of such notice; or

(c) The Landlord 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 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;

(d) The Landlord shall dissolve or liquidate without designation of and transfer of obligations to a successor entity.

SECTION 19.0
[RESERVED]

SECTION 20.0
[RESERVED]

SECTION 21.0
WAIVER OF SUBROGATION

Notwithstanding anything in the Lease to the contrary, the Landlord and the Tenant hereby release the other from any and all liability or responsibility to the other (or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property caused by fire or any other casualty to the extent covered by insurance.

SECTION 22.0
MEMORANDUM OF LEASE

The Landlord and Tenant mutually agree to execute herewith a Memorandum of Lease attached hereto as **Exhibit F** in recordable form with respect to this Lease, which shall be recorded forthwith by the Tenant in the Penobscot County Registry of Deeds, and agree to execute, upon termination of this Lease for whatever cause, a Notice of Termination of Lease in recordable form for recording with said Registry of Deeds.

SECTION 23.0
ENVIRONMENTAL

23.1 Environmental Laws Defined. “*Environmental Laws*” means, collectively, any federal, state, or local law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental regulations, contamination, clean-up or disclosures, and any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (“*CERCLA*”); the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (“*RCRA*”); the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq. (“*SARA*”); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq. (“*TSCA*”); the Hazardous Materials Transportation Act, 49 U.S.C. Appx. § 1801 et seq.; the Maine Uncontrolled Hazardous Substance Sites Act, 38 M.R.S.A. § 1361, *et seq.*, the Maine Hazardous Matter Law, 38 M.R.S.A. § 1317, *et seq.*; or any other applicable federal or state statute regulation or ordinance regulating the generation, storage, containment or disposal of any oil and hazardous wastes, substances and materials (as defined in the Environmental Laws and collectively referred to herein as “*Hazardous Materials*”) or providing for the protection, preservation or enhancement of the natural environment, any rules or regulations promulgated pursuant to any of the foregoing statutes or ordinances, including but not limited to laws relating to groundwater and surface water pollution, air pollution, transportation, storage and disposal of oil and hazardous wastes, substances and materials, storm water drainage, and underground and above ground storage tanks; and any amendments, modifications or supplements of any such statutes, ordinances, rules and regulations.

23.2 Environmental Covenants. The Tenant hereby represents, warrants and covenants as follows:

(a) Except as may be permitted by and only in accordance with Environmental Laws and permits and licenses, the Tenant shall establish, maintain and follow procedures that do not

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allow any Hazardous Materials to be stored, located, discharged, possessed, managed, processed, or otherwise handled on the Leased Premises, and shall strictly comply with all Environmental Laws affecting the Leased Premises.

(b) No activity shall be undertaken on the Leased Premises or the Property by the Tenant which would cause a release or threatened release of Hazardous Materials into any watercourse, surface or subsurface water or wetlands, or the discharge into the atmosphere of any Hazardous Materials which would violate any Environmental Law or the terms of any permit issued thereunder.

(c) To the extent the release of any Hazardous Materials at or from the Leased Premises or the Property is caused by the Tenant and is in violation of any Environmental Laws, the Tenant shall, with all due diligence, at its own cost and expense and in accordance with Environmental Laws (and in all events in a manner reasonably satisfactory to the Landlord), take all actions (to the extent and at the time or from time to time) as shall be necessary or appropriate for the remediation of said releases including all removal, containment and remedial actions. In such event, the Tenant shall pay or cause to be paid at no expense to the Landlord all clean-up, administrative, and enforcement costs of applicable government agencies or the parties protected by such Environmental Laws which may be asserted with respect to releases of Hazardous Materials on or from the Leased Premises.

(d) The Tenant shall provide the Landlord, in a timely manner, with copies of all notices, documents, records or other information in any way related to the Tenant's obligations under this section or received or created by the Tenant in relation to its obligations under this section.

23.3 Obligation to Notify. The Tenant or the Landlord, as the case may be, shall promptly notify the other party in writing should it become aware of any release or threatened release of Hazardous Materials or the occurrence of any other environmental problem or liability with respect to the Leased Premises or any real property adjoining or in the vicinity of the Leased Premises or such other property which could subject the Landlord, the Tenant, the Property or the Leased Premises to a claim under any Environmental Laws.

SECTION 24.0
WAIVER

The failure of the Landlord to take action with respect to any breach of any term, covenant, or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant, or condition. Any waiver by the Landlord of any breach of any term, covenant, or

condition contained in this Lease shall be effective only if in writing and 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 Lease.

SECTION 25.0
DISPUTE RESOLUTION

25.1 Resolution Mechanism. Any dispute arising under this Lease Agreement shall be resolved only in accordance with this Section 24.

25.2 Notice of Dispute; Informal Resolution. 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.

25.3 Mediation. If the Parties cannot resolve the dispute informally within fourteen (14) days of such written notice, the Parties shall submit the dispute to non-binding mediation by a neutral and otherwise qualified mediator reasonably acceptable to both parties within fourteen (14) days following the expiration of the time period for informal negotiations. In the event that the Parties fail to agree upon a mediator within such 14-day period, either Party may request that a mediator be appointed through the American Arbitration Association in accordance with its commercial arbitration rules. The Parties shall attempt in good faith to resolve the dispute through mediation for a period not to exceed sixty (60) days, unless such time period is modified by written agreement of the Parties. Each Party may decide in its sole discretion whether to participate in mediation beyond the 60-day period or any agreed extension.

25.4 Arbitration. In the event that the dispute is not resolved after the end of the period for mediation, 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 one (1) year from the date on which the claim arose, and failure to bring such claim within such one 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.

25.5 Costs. 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 mediator or 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.

SECTION 26.0

MISCELLANEOUS

26.1 Parties Bound. The covenants and conditions contained in this Lease shall bind the heirs, successors, executors, administrators, and assigns of each of the parties to this Lease.

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

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

26.4 Governing Law. It is agreed that this Lease shall be governed by, construed, and enforced in accordance with the laws of the State of Maine without regard for conflict of law provisions.

26.5 Entire Agreement. This Lease, together with the Development Agreement and the Master Waste Supply Agreement, shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding on either party except to the extent incorporated in this agreement.

26.6 Modification of Agreement. Any modification of this Lease or additional obligation assumed by either party in connection with this Lease shall be binding only if such modification

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is documented in writing and signed by each Party or an authorized representative of each Party.

27.7 Additional Documents. The parties agree to execute whatever reasonable papers and documents may be necessary to effectuate the terms and intent of this Lease.

28.8 No Special or Consequential Damages. Notwithstanding any other provision of this Lease to the contrary, in no event shall either party be liable under this Lease for lost profits or for any special or consequential damages whatsoever.

29.9 Interest. Any amount due but unpaid by either party to this Lease shall bear interest from the date thirty (30) days after the due date at an annual rate equal to the lesser of (i) the prime interest rate, as published in the Wall Street Journal, plus two percent (2%), or (ii) the maximum rate permitted under law

26.10 Counterparts. This Lease may be executed in counterparts. A signature transmitted by facsimile shall have the effect of an original.

[Signature page follows.]

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IN WITNESS WHEREOF, each party to this Lease has caused it to be executed as a sealed instrument on the date indicated below.

MUNICIPAL REVIEW COMMITTEE

By: _____
Name:
Title:

FIBERIGHT, LLC

By: _____
Name:
Title:

LIST OF EXHIBITS

- A PROPERTY, LEASED PREMISES AND PROJECT SITE
- B DESCRIPTION OF FACILITY AND DESCRIPTION OF TENANT'S WORK
- C BUILDING AND PROPERTY VALUE OVER THE OPERATING TERM
- D LEASE CONSIDERATION
- E REPORTING REQUIREMENTS
- F FORM OF MEMORANDUM OF LEASE

EXHIBIT A
PROPERTY,
LEASED PREMISES
and
PROJECT SITE

[To come]

EXHIBIT B

DESCRIPTION OF FACILITY AND DESCRIPTION OF TENANT'S WORK

Description of Tenant's Work

Tenant will design, acquire permits and approvals for, acquire financing for, construct, start-up, test, commission and operate the Facility on the Leased Premises.

Description of Facility

[To be provided]

Process and Facility Description

[To be provided]

Permitted Uses

The Leased premises shall be used solely for the purpose of constructing, operating and maintaining a mixed MSW conversion and processing facility and other uses reasonably incident thereto, provided that

- (i) all uses must comply with applicable permit conditions and applicable laws, rules and regulations;
- (ii) no use may create a nuisance on or about the Property;
- (iii) no use shall result in excessive odor or fugitive litter;
- (iv) no MSW or other products shall be stored outside of designated enclosed areas.

The acceptance for storage or processing of Out-of-State Waste shall not be a Permitted Use.

EXHIBIT C
BUILDING AND PROPERTY VALUE
OVER THE OPERATING TERM

Years after Commercial Operation Date	Sale Price for the Building	Sale Price for the Land
0	[Actual to come]	
1	X% actual	Y% actual
2	X% X% actual	Y % actual
3	Etc.	Etc.

EXHIBIT D
LEASE CONSIDERATION

Fixed Site Lease Payments. The Tenant shall pay the Landlord rent in the amount of _____ Thousand Dollars (\$_____) per lease year, payable monthly.

[insert number based on market value, then net number out of rebate payments]

EXHIBIT E

REPORTING REQUIREMENTS

In order to facilitate communication between the parties, the following reports, meeting schedule and communications protocol are required. Changes to the schedule, contents, and form of these items will be made by mutual consent and communicated in writing.

Reports

During the period of time between the Effective Date and the Construction Date, the Tenant shall provide the Landlord a report each month regarding progress towards achieving the Construction Date, including:

1. An up-to-date schedule showing:
 - a. key tasks
 - b. critical path tasks
 - c. the Construction Date

During the period of time between the Construction Date and the Commercial Operation Date, the Tenant shall provide the Landlord a report each month regarding progress towards achieving the Commercial Operation Date including:

1. An up-to-date schedule showing:
 - a. key tasks
 - b. critical path tasks
 - c. the Commercial Operation Date

During the period of time starting when material is first received at the Facility through the end of the Term, the Tenant shall provide the Landlord a report, within ten (10) days of the end of each calendar month, for the preceding month that must include the following:

1. Total tons received for processing at the Facility, by material type, during the previous month
2. Total amounts of products produced by the Facility during the previous month
3. Total amounts of products removed from the Property during the previous month

4. Total tons of residuals removed from the Property during the previous month

During the period of time starting when material is first received at the Facility through the end of the Term, the Tenant shall provide the Landlord with copies of all annual reports submitted to permitting authorities, within two (2) weeks of the respective submittal dates.

All measurements and calculations shall be taken and performed in accordance with mutually agreed upon protocols.

Meetings

On not less than a monthly basis during the period between the Construction Date through the Commercial Operation Date, and on not less than a quarterly basis thereafter, , the Tenant and Landlord shall provide the necessary management staff and support personnel to meet, either in person, by phone, internet or other means necessary, to discuss the construction schedule, ensure coordination of site activities, share important updates and facilitate cooperation. Meetings will take place at the offices of the Landlord or other agreed upon location and will address, but not be limited to, the following agenda items: operational concerns, systems performance, facility improvements, process changes, regulatory communications for the respective permits of each party, upper management communications and community relations matters as needed.

Communications protocol

Both parties recognize that providing accurate information to facilitate site coordination and emergency response is critical to maintaining a smooth and safe working environment. Therefore, both parties shall provide the other the following information which shall be updated as needed:

1. A list of local site management, with an organizational chart and contact information for 24-hour communications, who are authorized to speak for and represent said entity and acceptable forms of communication necessary for notification
2. A list of other important off-site contacts and contact information
3. A list of critical contractors, and their contact information, that operate on-site under the purview of either the Tenant or the Landlord and related to construction or operations and maintenance of the Facility, on a temporary or long-term basis
4. A list of any other important contact information and procedures necessary for site operations and emergency response
5. Copies of as-built infrastructure plans with GPS coordinates and/or computer-aided design (CAD) information that identify critical control points for emergency response and the location of significant underground utilities.

6. Operational information necessary to run a safe and environmentally sound site including details on environmental, health and safety plans and procedures, chemical inventory and storage (Tier 2), emergency response or other similar plans
7. Copies of important documents relevant to the terms of the Lease including copies of permits, certificates of insurance, contact information for billing purposes or other pertinent items.

EXHIBIT F

MEMORANDUM OF LEASE

[To come]