

Master Waste Supply Agreement: Summary of Terms and Conditions
Prepared by the Municipal Review Committee, Inc., January 2016

The Master Waste Supply Agreement between the MRC and Fiberight sets forth system-wide delivery issues and obligations, defines the calculations of tip fees and rebates, discusses contingency events, and addresses MRC responsibilities in its oversight of Fiberight while protecting and insulating the towns from risks. The Master Waste Supply Agreement would be signed by the MRC, but would not be signed by the individual Joining Members; however, the terms and provisions of the Master Waste Supply Agreement are linked to and referenced by certain terms of the Joinder Agreement. Key terms and conditions of the Master Waste Supply Agreement can be summarized as follows:

- Initial term: 15 years with five 5-year extensions at option of Fiberight, provided that MRC can terminate if sufficient Joining Members do not extend their Joinder Agreements.
- MRC obligations: Assure delivery of not less than 150,000 tons per year of Acceptable Waste from Joining Members and others.
- Fiberight obligations: Accept and process incoming Acceptable Waste. Recover materials, produce products, and sell recovered materials and products. Deliver to the Crossroads Landfill all residual materials and any bypass MSW that cannot be accepted for processing at the facility.
- Initial tip fee: \$70 per ton escalating once per year with CPI.
- Rebates: paid by Fiberight to the MRC per a formula for sharing revenue above stated thresholds for annual tip fee revenues and annual product revenues.
- Shortfall penalties. Could be assessed against the MRC, but never directly against Joining Members. MRC will maintain cash reserves to insulate Joining Members from risk of future assessments.

<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 sufficient Joining Members have not extended such that the Estimated Delivery Amount would fall below 150,000 tons per year. 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 Joinder Agreements The MRC will help find MSW during facility start-up, but cannot divert MSW from PERC while those agreements are in effect

	<p>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. Shortfall payments would be paid by (i) Joining Members that diverted MSW to other disposal facilities in violation of the Joinder Agreements; (ii) reserve funds managed by the MRC; and (iii) as a last resort, pro rata assessments against all Joining Members. Such assessments are required as security to enable the project to be financeable.</p>
4.0 Waste Acceptance and Processing	<p>Fiberight will accept MSW and operate in accordance with performance Standards.</p> <p>The MRC and Joining Members will ensure compliance with delivery procedures.</p> <p>Joining Members and their haulers will indemnify the MRC and Fiberight for costs resulting from deliveries of Unacceptable Waste.</p> <p>Fiberight can bring in other MSW from Maine, but Joining Members have priority access to available capacity at the Facility. Fiberight cannot bring in out-of-state MSW.</p> <p>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.</p> <p>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, or accept and transfer, what it can.</p> <p>Fiberight will send residuals to the Crossroads Landfill.</p>
5.0 Tip Fees and Rebates	<p>The initial tip fee will be \$70 per ton, escalating with increases in CPI-U. Joining Members will be invoiced weekly and will pay in 30 days</p> <p>The MRC will manage calculation and payment of rebates per the formula in Exhibit F. Exhibit F contains a procedure for revising the parameters of the rebate calculation.</p>
6.0 Indemnification	Mutual
7.0 Confidentiality	To the extent reasonable and subject to usual terms on disclosure.
8.0 Assignment	<p>Company needs MRC consent</p> <p>Fiberight itself must be involved through commercial operation and assignment is not allowed unless a qualified successor is offered and approved by the MRC</p>
9.0 Representations and Warranties	Standard
10.0 Defaults and terminations	<p>Limited</p> <p>Agreement terminates unless commercial operation is reached by January 1, 2020, as extended by any Excused Delay Period or mutual agreement of the MRC and Fiberight,</p>
11.0 Terminations	By mutual agreement only prior to the Financial Close

	Thereafter only after an Event of Default
12.0 Investor Rights	If Fiberight does not fulfill its obligations, its investors can step in to fulfill those obligations. The MRC must notify the investors of Fiberight defaults.
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, or if the Force Majeure Event cannot be cured, then either party can terminate Termination scenarios are per provisions of the Site Lease
14.0 Other	Standard provisions Disputes can be resolved by arbitration.
Signatures	MRC and Fiberight
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. Payments are based on the tip fee marked up by 25 percent to account for lost net revenues, but cannot provide Fiberight returns in excess of expectations as of the time of financial close.
Exhibit C	Form of Joinder Agreement
Exhibit D	Form of Site Lease
Exhibit E	Delivery Requirements. Haulers will be required to obey rules related to scheduling, designated routes, community requirements, identification and insurance. Haulers that do not comply after warnings can be banned from the facility.
Exhibit F	Rebate Calculation. Rebates depend on shares of tip fees and product revenues above pre-set levels. Rebates will be paid quarterly and reconciled annually. Amounts owed by the MRC to the Company can be offset against rebate payments. Rebate parameters can be updated to account for excess offset amounts or for shortfalls in expected amounts rebated to the MRC or returned to the Company.