

Municipal Joinder Agreement: Summary of Terms and Conditions

Prepared by the Municipal Review Committee, Inc., January 2016

The Joinder Agreement is the agreement that the entity would vote on and sign if it seeks to become a Joining Member. The Joinder Agreement, which would be countersigned by the MRC, sets forth the terms and conditions for the Joining Member to deliver MSW to the Fiberight facility upon the termination of its existing Waste Disposal Agreement for delivery of MSW to the PERC facility (scheduled for March 31, 2018). The key terms and conditions of the Joinder Agreement can be summarized as follows:

- Initial term: 15 years with five 5-year extensions at option of Joining Member.
- MSW delivery obligation: all MSW under control of Joining Member (unless diverted under a waste reduction or recycling program). Joining Member provides an Estimated Delivery Amount, but there are no shortfall penalties for failure to deliver the Estimated Delivery Amount unless MSW is intentionally diverted to other processing or disposal facilities.
- Acceptable Waste. Includes all materials accepted by PERC under their existing waste disposal agreements. Joining Members shall not deliver Unacceptable Waste.
- Waste reduction and recycling programs. Joining Member can continue its programs.
- Initial tip fee: \$70 per ton escalating once per year with CPI.
- Rebates: not less than \$5 per ton for Equity Charter Municipalities in first three years (\$3 per ton for New Charter Municipalities), with future values to be set by the MRC
- MRC membership: Joining Member becomes a member of the MRC and delegates authority to the MRC to represent its interests consistent with the MRC By-Laws.
- Existing Charter Municipality Assets: MRC continues to manage application and disposition.
- Liabilities to repay debt service or private investment. Joining Members have no such liabilities under any circumstances whatsoever other than intentional adverse acts of gross negligence. Under certain scenarios, the MRC might have exposure to certain identified liabilities, against which the MRC will keep cash reserves.

The following matrix provides a more detailed summary of the contractual provisions in each of the sections of the Joinder Agreement. This matrix is provided for summary and reference purposes only and is not intended to be a substitute or replacement in any way for the full language of the Joinder Agreement. The language of the full Joinder Agreement shall take precedence in the event of any apparent conflict in interpretation with this summary.

<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 the Agreement if sufficient Joining Members do not extend or if the Master Waste Supply Agreement is terminated.
3.0 Waste Delivery	Joining Members <ul style="list-style-type: none"> • Will deliver MSW under their control 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 unless MSW is intentionally diverted to other disposal facilities. • Can continue, expand or discontinue their waste reduction and recycling programs without violating delivery requirements. • Must provide notice to the MRC of proposed changes to the scope of responsibility for managing MSW, and must consult with the MRC regarding such changes prior to implementation.. • Must not initiate new programs or expand existing programs to divert organic components from MSW to facilities other than the Facility without prior notice to and consultation with the MRC, and without prior consent of Fiberight. • 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 Fiberight more than it draws from reserves for such contingencies • Will not deliver Unacceptable Waste. • Will cause haulers of their MSW to comply with delivery requirements.
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 and will escalate once per year with the annual rate of change in the CPI. • Joining Members will be invoiced weekly and will pay in 30 days • Departing Municipalities later readmitted to the MRC and new Joining Members that were not Charter Municipalities are subject to a tip fee surcharge of \$2,21 per ton over the Initial Term.

	<ul style="list-style-type: none"> Neither Departing Municipalities that are re-admitted to the MRC nor new Joining Members that were not Charter Municipalities and did not enroll timely will be entitled to rebates. The MRC will manage calculation and payment of rebates to the Joining Members. The MRC will make quarterly rebate calculations available to all Joining Members and may offset rebates against some specific charges.
5.0 Authorization	<p>The Joining Member</p> <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 <p>The MRC will provide notice to Joining Members and will provide opportunities to be heard on contract changes and other matters.</p>
6.0 Transportation and Bypass	<p>If the Fiberight 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</p> <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	<p>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.</p>
8.0 Indemnification	<p>Reciprocal. Limits liability.</p>
9.0 Assignment	<p>Limited. MRC must provide Joining Members with notice and an opportunity to be heard.</p>
10.0 Events of Default and Terminations	<p>Very limited. The MRC and Joining Members are expected to comply with their commitments.</p>
11. Other provisions	<p>The MRC will provide Joining Members with notice and an opportunity to be heard, and will coordinate responses to, Force Majeure events, Changes in Law and other contingencies.</p> <p>Disputes can be resolved by arbitration.</p> <p>Other typical contractual provisions are included.</p>
Signature	<p>Will need to be signed by an authorized party with evidence of proper authorization and procedure</p>
Exhibit A	<p>Executed version of the Master Waste Supply Agreement</p>
Exhibit B Disposition of PERC Related Assets	<p>This section addresses in detail how the MRC would apply and allocate the existing assets of the Equity Charter Municipalities that it has managed under the PERC Waste Disposal Agreements since 1998.</p> <p>Tip Fee Stabilization Fund: would be allocated to the following uses:</p> <ul style="list-style-type: none"> \$5.0 million Site Capital Costs \$7.0 million Building reserve fund

	<p>\$3.0 million Delivery Sufficiency Reserve Fund (shortfall payments) \$1.167 million Liabilities of PERC closure \$1.00 million Offset transportation costs if commercial operation date is delayed Remainder pay balances owed to Departing Municipalities, and rewerve the rest for tip fee stabilization Operating Funds: roll over (nominal) fund balances to the MRC Debt Service Reserve Fund: release balance to Equity Charter Municipalities after covering and reserving for related costs PERC LP interests: manage ultimate distribution per the terms of the PERC LP Agreement</p>
<p>Exhibit C Components of Ratification</p>	<p>To ratify the agreement properly, Joining Members will need to</p> <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