

**Site Lease Agreement: Summary of Terms and Conditions**  
**Prepared by the Municipal Review Committee, Inc., January 2016**

The Site Lease Agreement between the MRC and Fiberight sets forth the rights and responsibilities of the MRC as the owner of the property where the Fiberight facility will be constructed and operated, and Fiberight as the tenant responsible for facility construction and operation, all while protecting and insulating the Joining Members from risks. The Site Lease would also be signed by the MRC, but would not be signed by the individual Joining Members; however, the terms and provisions of the Site Lease Agreement are linked to and referenced by certain terms of the Joinder Agreement. Key terms and conditions of the Site Lease 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: Develop road access and utility infrastructure to serve the site.
- Fiberight obligations: Design, construct, bring into commercial operation, operate and maintain the facility on the site. Comply with all permits and requirements for permitted uses. Avoid nuisance impacts.
- Commercial operation: Will occur when the Fiberight facility passes a performance test. Scheduled date for commercial operations is April 1, 2018.
- MRC oversight. In addition to its rights as the site owner, the MRC has oversight rights over operations, MSW supply, and significant changes in the nature of the business.
- Out-of-state MSW. Acceptance of out-of-state MSW is not a permitted use of the site.

The following matrix provides a more detailed summary of the contractual provisions in each of the sections of the Site Lease 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 Site Lease Agreement. The language of the full Site Lease Agreement shall take precedence in the event of any apparent conflict in interpretation with this summary.

<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, which will own the facility. 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'

	<p>notice if sufficient Joining Members do not extend such that the Estimated Delivery Amount would be below 150,000 tons per year, 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.</p>
4.0 Rent, Access and Services	<p>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</p>
5.0 Quiet Possession	<p>Tenant has right of quiet enjoyment  Tenant will keep tax incentives and environmental attributes that it creates  Tenant will keep the site in the condition it is in as of the Effective Date and assumes all related risks of its activities on the site.  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</p>
6.0 Facility Development	<p>The Tenant will cause the Construction Date to occur by January 1, 2017. Tenant will be responsible for all facility design, development and construction, but not for 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</p>
7.0 Facility Construction	<p>The Tenant will construct the Facility and cause the Commercial Operation Date to occur by April 1, 2018, subject to stated reasons for delay  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</p>

	The Landlord will arrange for maintenance of the access road
9.0 Capital Improvements	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
10.0 Assignments; Transfers; Bankruptcy	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
11.0 Notices	Provides for notices
12.0 Taxes and Assessments	Tenant responsible for taxes on the leased premises and improvements
13.0 Liens	Tenant keeps clear and free of liens
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	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, or if the Force Majeure event cannot be cured, 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 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 Investor Rights	If Fiberight does not fulfill its obligations, its investors can step in to fulfill those obligations. The MRC will notify the investors of Fiberight defaults.
20.0 Reserved	The parties each waive subrogation
21.0 Waiver of Subrogation	Standard
22.0 Memorandum of lease	Standard
23.0 Environmental	Tenant covenants not to unlawfully release Hazardous Waste and shall

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	remediate in such event
24.0 Waiver	
25.0 Dispute resolution	Disputes can be resolved by arbitration.
26.0 Miscellaneous	Standard provisions
Signatures	MRC and Fiberight
Exhibit A	Property description
Exhibit B	Facility description
Exhibit C	Building and Property Value
Exhibit D	Lease Consideration
Exhibit E	Reporting Requirements
Exhibit F	Form of Memorandum of Lease