

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Friday, December 4, 2015 at 1:00 p.m. by conference call. In attendance were the following:

Directors:

Tony Smith, Mt. Desert
Sophie Wilson, Orono
Elery Keene, Winslow
James Guerra, Mid-coast Solid Waste Corp.
Ken Fletcher, Winslow
Catherine Conlow, Bangor
Chip Reeves, Bar Harbor
Barbara Veilleux, Penobscot County
Karen Fussell, Brewer

Consultants:

Greg Louder, MRC Executive Director
George Aronson, CRMC
Daniel G. McKay, Eaton Peabody
Jessamine Pottle, CES, Inc.

Jennifer Baroletti kept the minutes of the meeting and President Reeves presided.

President Reeves convened the meeting at 1:04 p.m.

**DISCUSSION OF DRAFT JOINDER AGREEMENT, MASTER WASTE SUPPLY
AGREEMENT AND SITE LEASE**

Chairman Reeves turned the meeting over to Dan McKay to discuss the changes to the draft documents. Mr. McKay indicated that rather than go through each agreement line by line, he would draw the Board's attention to significant changes for discussion.

In the Joinder Agreement, there was a comment regarding the disposition of the Delivery Assessment Reserve Fund (Section 3.2). This section has been changed to provide that new

member communities would have to pay any assessment for diverted waste, but that any residual value would go only to equity charters. The Board generally discussed diversion v. reduction and the Board reiterated the need to clearly communicate to member communities the difference and that there is no problem with instituting recycling programs at the local level so long as they are not intentionally diverting MSW in contravention of the agreement.

Board member Barbara Veilleux noted several clarifications to definitions and typos.

The Board reiterated the need to be very clear with communities about the time frame for approval and the process for asking for dispensation from the board for good cause for delay if their town meeting is not scheduled until after the deadline. The Board has to be notified ahead of time if that is the case. It was suggested to potentially use the rebate formula as a motivator and a lengthy discussion ensued regarding changing the amount of \$2.21 to \$5 for increased tip fees to motivate communities to become Joining Members as early in the process as possible. After further discussion, the Board agreed to leave the increased tip fee amount of \$2.21. In addition, late joining members will not be eligible for rebates during the first fifteen (15) year term. These terms would apply both to non-charter communities and departing charter communities who wish to return.

Mr. McKay next reviewed the Master Waste Supply Agreement, identifying liability for Unacceptable Waste as the principal issue for discussion. George Aronson noted that Fiberright and potential investors have reviewed this language very closely.

After discussion, the Board agreed to give George Aronson negotiating authority with Fiberright regarding this language in the event that they do not accept the MRC's revised language. If Fiberright insists on stricter language than that discussed, Mr. Aronson will come back to the Board for additional guidance.

Board Member Barbara Veilleux noted several minor changes to the Master Waste Supply Agreement and Board Member Karen Fussell suggested that each agreement have the name of the agreement and page numbers in the footer of each page.

At 1:30 p.m., Board Member Ken Fletcher left the meeting.

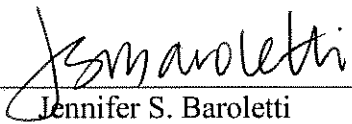
Dan McKay next reviewed the draft changes to the Restated Bylaws, including a new Section 2.3 noting that existing PERC-related powers need to remain in effect until the PERC partnership has been wound up and liquidated which would be somewhat after the proposed effective date of the Restated Bylaws. Mr. McKay noted that Section 3.1 provides for two (2) classes of members (Charter Members and Non-Charter Members). Mr. McKay reviewed Section 4.5 granting to members certain new voting rights. He noted that this provision was in response to member community feedback. The goal is to strike a balance between the Board's authority and providing the members with certain voting rights that will not encumber the organization by requiring a special membership meeting for every decision. Any "Fundamental Matter" that comes up for decision will require a notice to membership and members will have a thirty (30) day period within which to call a special meeting. If a special meeting is held, a vote must be taken within forty-five (45) days of the original notice. If members reverse the recommendation of the Board, then it does not go forward.

Mr. McKay noted that he recommends against allowing private haulers to become members of the MRC, as that would disqualify the MRC from being a regional association under state law and potentially could disqualify the MRC's tax exempt status with the IRS. Those haulers can instead contract directly with Fiberight or with a member community. Mr. McKay noted that he is still reviewing the tax exempt status of the MRC. This review may result in some changes to technical language in the Restated Articles addressing tax exempt status.

The Board briefly discussed the logistics of distributing materials to the member communities. The mailing scheduled to go out next week will include the annual meeting notice, agenda, newsletter and sheet that lists the documents (draft agreements, bylaws, warrants) which are available on the MRC's website and by request if possible.

There being no further business to come before the Board, the meeting adjourned at 2:38 p.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: January 27, 2016