

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A special meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Thursday, March 24, 2016 at 10:00 a.m. by conference call. In attendance were the following:

Directors:

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

Staff:

Greg Louder, MRC Executive Director

Consultants:

Daniel G. McKay, Eaton Peabody
Jessamine Pottle, CES, Inc.

Guests:

Craig Stuart-Paul, Fiberight
Jackie Weaver, The Ellsworth American
Irene Belanger, Selectperson from Town of China
Sandy Carry, Belfast Transfer Station Manager
Dean Bennett, Economic Development Director from Town of Hampden
Dana Wrigley, Town of Oakland
Peter Lammert, Thomaston Group from Town of Thomaston
Gordon Cornell, South Thomaston
Mary Sabins, Town of Vassalboro

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

President Reeves convened the meeting at 10:03 a.m.

CONSIDERATION OF RESOLUTION TO CLARIFY ELIGIBILITY OF ALL JOINDER MEMBERS

Greg Louder indicated that the MRC is assembling a reminder letter to be sent out to communities regarding the upcoming May deadline, and that in the course of putting that reminder

together, a question arose as to the language in the agreement and the intent supporting that language. Mr. Louder reported that the intent all along has been to make sure that new joining communities (Non-Charter Members) would have a right to new project revenue to be shared with Fiberight through the rebate process, and the Board wanted to clarify that intent with the resolution drafted by the MRC's legal counsel, Dan McKay of Eaton Peabody.

Dan McKay noted that there is currently a provision in the Joinder Agreement that Non-Charter Members would not be entitled to payment of rebates during the initial term of the agreement unless the MRC Board determines otherwise for good cause shown. The consensus of the Board was that any Non-Charter or existing Charter Member that signs on to the Joinder Agreement by the deadline of May 1, 2016 would be entitled to payment of rebates during the initial term of the agreement. Board member Karen Fussell indicated that part of confusion is that the term "rebate" has also been used to refer to the distribution of reserves that belong to Equity Charter Members as well as to the payments to be made by Fiberight from operating revenue. It is important to distinguish between the rebates and distributions. Ms. Fussell reiterated that communities new to the MRC have no call on, and will receive nothing from reserve funds, however it is not intended to keep new communities from profit sharing derived from future operation of the Fiberight facility.

The Board responded to several questions and comments from the audience regarding the deadline for towns to approve becoming Joining Members.

A brief discussion ensued regarding the timing of the scheduling of the town meetings and whether or not the towns would qualify for rebates. It was clarified that if town meetings are scheduled after the deadline, it would be up to the MRC Board to determine whether or not to allow for special dispensation for that town. Several board members indicated they would not be inclined to grant that extension for a town that chose not to put this item on the town warrant prior to May 1st.

Following this discussion, and upon motion duly made and seconded, the following resolution was adopted unanimously:

WHEREAS, the Municipal Review Committee, Inc. ("MRC") has proposed to enter into and has entered into Municipal Joinder Agreements pursuant to which current MRC Members ("Charter Municipalities") and potential new members ("Non-Charter Municipalities") would agree to become Joining Members of the MRC (as defined in the Municipal Joinder Agreement); and

WHEREAS, the Municipal Joinder Agreement provides that, under prescribed conditions, Joining Members will be eligible to receive certain rebate payments to be paid by Fiberight from project revenues as described in Section 4.3 of the Agreement; and

WHEREAS, Section 4.3(d) of the Agreement provides, in pertinent part, that "unless the MRC Board of Directors determines otherwise for good cause shown, no Non-Charter Municipality...shall be entitled to any rebate payments during the Initial Term"; and

WHEREAS, despite the language of Section 4.3(d), and as evidenced by certain transaction summaries that have been shared with both existing and prospective MRC members, it has been the intent of the Board of Directors that Non-Charter Municipalities that timely elect to become Joining Members would be eligible to receive their allocable share of Fiberight rebate payments on the same basis as other eligible Charter Municipalities; and

WHEREAS, the Board of Directors has determined for good cause shown that, in view of its intent as expressed in the written summaries referenced above, and in the spirit of its longstanding open door policy, and in order to better attract municipalities that are not current MRC Members to enter into the Agreement and to become Joining Members, it would be in the interests of its membership as a whole to make rebate payments available to Non-Charter Municipalities that agree to become Joining Members on a timely basis;

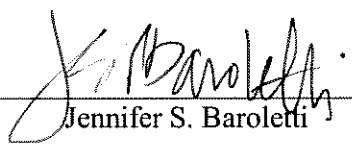
NOW, THEREFORE, IT IS:

RESOLVED: That the Board of Directors hereby determines for good cause shown that, notwithstanding the provisions of Section 4.3(d) of the Municipal Joinder Agreement, Non-Charter Municipalities that agree to execute and deliver the Municipal Joinder Agreement on or before the later of (i) seven days following the date of any scheduled town meeting at which approval of the Municipal Joinder Agreement is to be considered, or (ii) May 1, 2016, and thereby to become Joining Members of the MRC, shall be entitled to receive rebate payments under Section 4.3 of the Municipal Joinder Agreement on the same basis as rebate payments are paid to eligible Charter Municipalities.

There being no further business to come before the Board, the meeting adjourned at 10:28

a.m.

Respectively submitted,



Jennifer S. Baroletti

Dated: April 27, 2016