

TO: Departing Municipalities

FR: Greg Louder 

DT: December 6, 2017

RE: Municipal Withdrawal Agreement (Equity Charter Municipalities)

As you know, in early November, I distributed to all withdrawing members of the MRC a proposed form of Withdrawal Agreement. We subsequently had a couple of members that wished to propose revisions to that draft. In order to accommodate their request for that opportunity, I subsequently indicated that comments to the document would be accepted through the end of November following which a final version of the Withdrawal Agreement would be distributed for signature.

I am enclosing three copies of the revised Withdrawal Agreement. One has been marked to show revisions from the version previously distributed. The other two are "clean" copies intended for signature (see instructions below).

The principal revisions are as follows:

- The definition of "Debt Service Reserve Fund" has been revised to make clear that the fund related to the financing of the PERC Project.
- The definition of "Existing PERC Agreements" was eliminated as that term was defined in the recitals.
- The definition of "PERC Partnership" has been updated to refer to the most recent restatement of that agreement.
- A definition has been created for the term "Withdrawal Date" to clarify that the effective date of withdrawal is April 1, 2018.
- Section 2.2 has been modified to make clear that, although the MRC will generally not be obligated to the Withdrawing Members after April 1, 2018, it will continue to be obligated to determine the final amount of distributions to each Withdrawing Member and to administer the closing of the sale of each Withdrawing Member's partnership interest for those Withdrawing Members that effectively exercise their put option, notwithstanding that these obligations will extend beyond April 1.
- The language of Section 3.1 has been modified to make clear the intent that, for purposes of determining each Withdrawing Member's allocable share of distributions from the MRC, the amount spent by the MRC on infrastructure improvements at the Fiberight project site and the \$3 million reserved from the Tip Fee Stabilization Fund related to the Fiberight project will be added back in for purposes of the distribution calculation with the effect that the burden of

those two items will be born solely by the Joining Members continuing on with the MRC and not by the Withdrawing Members.

- The date by which distributions will be made has been moved from June 29, 2018 to August 5, 2018. The reason for this change is to allow the MRC's auditors to audit the numbers on which the distributions will be based before they are made, thereby giving both the MRC and each Withdrawing Member additional comfort that the numbers upon which distributions are based are accurate. The audit is expected to be completed by the end of July.
- Several typographical errors have been corrected.

The MRC is requesting that each Departing Municipality sign the Municipal Withdrawal Agreement in accordance with the following instructions:

- Fill in the blanks in the opening paragraph on each of the two execution copies (date on which it is signed, name of Withdrawing Member and location of Withdrawing Member's offices). Also indicate which form of entity applies (i.e., municipality, solid waste disposal district, other public entity) by striking a line through those types of entity that are not applicable.
- Fill in the address to which notices should be directed under Section 7.2 on page 10.
- Sign both execution copies of the Withdrawal Agreement where indicated on page 12.
- Mail the two signed copies of the Withdrawal Agreement to:

Municipal Review Committee
395 State Street
Ellsworth, Maine 04605
Attention: Executive Director

Any questions should be directed to Greg Louder at 207-664-1700 or glouder@mrcmaine.org.