

REDEMPTION AGREEMENT

THIS REDEMPTION AGREEMENT (“Agreement”) is made and entered into effective as of the 28th day of February, 2018 (the “Effective Date”), by and between PENOBSCOT ENERGY RECOVERY COMPANY, LIMITED PARTNERSHIP, a Maine limited partnership (the “Partnership”) and MUNICIPAL REVIEW COMMITTEE, INC., a Maine nonprofit corporation (the “MRC”).

WITNESSETH:

WHEREAS, the Equity Charter Municipalities listed on Schedule 1, which is attached hereto and incorporated herein by reference, are all parties to that certain Sixth Amended and Restated Agreement of Limited Partnership dated effective as of September 1, 2016 (“Partnership Agreement”); and

WHEREAS, pursuant to Article 9 of the Partnership Agreement, the Equity Charter Municipalities listed on Schedule 2 (the “Selling Equity Charter Municipalities”), which is attached hereto and incorporated herein by reference, have delivered to the Partnership notices to have all (and not less than all) of their Partnership interests purchased by the Partnership pursuant to the terms of the Partnership Agreement and this Agreement (the “Purchased Partnership Interests”); and

WHEREAS, the MRC acts as agent for the Equity Charter Municipalities and, therefore, is authorized to sign this Agreement on behalf of the Equity Charter Municipalities and transfer the Purchased Partnership Interests to the Partnership; and

WHEREAS, subject to the terms and conditions of this Agreement, the Partnership desires to purchase and redeem, and the Selling Equity Charter Municipalities desire to sell, all of the Purchased Partnership Interests;

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises of the parties hereto, and the mutual benefits to be gained by the performance hereof, the parties hereto agree as follows:

1.) Redemption of Purchased Partnership Interests. Subject to the terms and conditions of this Agreement, the Selling Equity Charter Municipalities shall assign, transfer and convey the Purchased Partnership Interests to the Partnership, and the Partnership shall acquire the Purchased Partnership Interest from the Selling Equity Charter Municipalities. As full payment for the transfer of the Purchased Partnership Interest by the Selling Equity Charter Municipalities to the Partnership, the Partnership shall pay to the Selling Equity Charter Municipalities the amount listed on Schedule 2 (the “Purchase Price”).

2.) Payment of the Purchase Price. The Purchase Price for the Purchased Partnership Interest shall be paid by the Partnership to the Selling Equity Charter Municipalities at the time of closing by wire transfer to a bank account of the MRC which shall be responsible for delivering the Purchase Price to the Selling Equity Charter Municipalities.

3.) Representations and Warranties. The MRC (on behalf of the Selling Equity Charter Municipalities) represents and warrants to the Partnership the following:

(a) Title. To the best knowledge of the MRC, (i) the Selling Equity Charter Municipalities collectively own, beneficially and of record, of all the Purchased Partnership Interests, (ii) such Purchased Partnership Interests are free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges, and restrictions of any kind whatsoever, and (iii) except for the Purchased Partnership Interests being redeemed by the Partnership, no Selling Equity Charter Municipality owns any ownership interest, option, warrant, security, or other debt or equity interest of the Partnership.

(b) Release. Except for the Partnership's performance under the terms of this Agreement, the MRC and each Selling Equity Charter Municipality, for itself and its representatives, successors and assigns, does hereby release and forever discharge the Partnership and any and all of its partners, officers and employees from any and all charges, complaints, liabilities, obligations, promises, agreements damages, causes of action, suits demands, costs, losses, debts and expenses of every kind and nature whatsoever in law or equity and whether known or unknown, which as of the Effective Date, it ever had or now has relating to the Purchased Partnership Interest or otherwise arising out of the Partnership Agreement including, without limitation, any claim under Article 9 of the Partnership Agreement respecting exercise of the Put Option (as defined therein).

(c) Full Disclosure. The MRC, for itself and on behalf of each Selling Equity Charter Municipality, has had full access to all of the Partnership's books and records, financial information, and other information that the MRC deems relevant to the transaction contemplated hereby. The MRC, on its own behalf and on behalf of the Selling Equity Charter Municipalities, has made an independent determination as to the value of the Purchased Partnership Interests and agrees that the Purchase Price represents the full value of the Purchased Partnership Interests and the Selling Equity Charter Municipalities' entire ownership interest in the Partnership.

4.) Release. Except for the MRC's performance under the terms of this Agreement, the Partnership, for itself and its representatives, successors and assigns, does hereby release and forever discharge the MRC and any and all of its directors, officers and employees from any and all charges, complaints, liabilities, obligations, promises, agreements damages, causes of action, suits demands, costs, losses, debts and expenses of every kind and nature whatsoever in law or equity and whether known or unknown, which as of the Effective Date, it ever had or now has relating to the Purchased Partnership Interest or otherwise arising out of the Partnership

Agreement including, without limitation, any claim under Article 9 of the Partnership Agreement respecting exercise of the Put Option (as defined therein).

5.) Tax Provision. The MRC, for itself and on behalf of each Selling Equity Charter Municipality, and the Partnership covenant and agree that, upon transfer of the Purchased Partnership Interest and payment in full of the Purchase Price, the Selling Equity Charter Municipalities' ownership interest in the Partnership shall terminate as of the end of the day on the Effective Date and that the Selling Equity Charter Municipalities will not be treated as owners of the Partnership on or after the Effective Date.

6.) Miscellaneous.

(a) Voluntary and Knowing Action. The MRC acknowledges that it has been advised of its right to be represented by its own attorney, that it has read and understands the terms of this Agreement, and that it is voluntarily entering into this Agreement.

(b) Expenses. Each party shall pay all of its own costs and expenses incurred or to be incurred in the negotiation and preparation of this Agreement and in closing and carrying out the transaction contemplated by this Agreement.

(c) Effect of Closing. All representations, warranties, covenants and agreements of the parties contained in this Agreement, or in any instrument, certificate, opinion or other writing provided for by this Agreement, shall survive the closing of the transactions contemplated in this Agreement.

(d) Further Assurances. The MRC shall cooperate with the Partnership and, subject to the limitation set forth below, shall execute and deliver, on its own behalf and on behalf of the Selling Equity Charter Municipalities, any other documents, agreements or certificates reasonably requested by the Partnership to effectuate the terms and conditions of this Agreement. Notwithstanding the foregoing, the Partnership expressly acknowledges that, as of April 1, 2018, the MRC will have no further authority to act on behalf of the Selling Equity Charter Municipalities.

(e) Notices. All notices, requests or demands and other communications from any of the parties hereto to the other party shall be in writing and shall be considered to have been duly given when personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to the other party at such address as a party may hereafter designate by written notice to the other party or, in the absence of such designation, to the addresses set forth in Section 14.3 of the Partnership Agreement:

(f) Benefit. This Agreement shall be binding upon and inure to the benefit of all the parties hereto, their heirs, executors, administrators, successors and assigns.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maine without regard to any conflicts of law provisions contained therein.

(h) Headings. Headings contained herein are for reference only and shall not be construed as part of this Agreement.

(i) Waiver. The waiver of any provision or of the breach of any provision of this Agreement shall not be effective unless made in writing. Any waiver by either party of any provision or of the breach of any provision of this Agreement shall not operate as or be construed to be a continuing waiver of the provision or of the breach of the provision.

(j) Severability. In the event any portion of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

(k) Entire Agreement; Amendments. This Agreement, together with all exhibits and other documents and instruments executed and delivered in connection herewith, sets forth the entire understanding between the parties with respect to the subject matter hereof, there being no terms, conditions, warranties, or representations other than those contained herein. No change or modification of this Agreement shall be valid unless made in writing and signed by all of the parties hereto.

(l) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(m) Schedules. All documents and other papers included as part of any schedules or exhibits to this Agreement are hereby incorporated into this Agreement by reference.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

PERC:

THE PENOBSCOT ENERGY RECOVERY COMPANY, LIMITED PARTNERSHIP

By: USA Energy Group, LLC

Its: General Partner

By:  _____

John A. Noer

Its: President

MRC:

Municipal Review Committee, Inc.

By:  _____

Greg Lounder

Its: Executive Director

Schedule 1		
Equity Charter Municipalities		
Put Option Value		
	LP ownership	Share value at
Equity Charter Municipality	share	1,500,000.00
Albion	0.115200%	6,770.79
Alton	0.053777%	3,160.70
Atkinson	0.016704%	981.76
Baileyville	0.188154%	11,058.60
Bangor	4.324165%	254,149.36
Bar Harbor	0.848682%	49,880.61
Blue Hill/Surry	0.527452%	31,000.57
Boothbay RRDD	0.722256%	42,450.02
Bradley	0.068282%	4,013.22
Brewer	1.286299%	75,601.20
Brooks	0.035971%	2,114.17
Brownville	0.115223%	6,772.14
Bucksport	0.406500%	23,891.71
Burnham	0.082797%	4,866.33
Carmel	0.133851%	7,866.99
Central Penobscot	0.223590%	13,141.32
China	0.292066%	17,165.95
Clifton	0.047476%	2,790.36
Clinton	0.391141%	22,989.00
Dedham	0.065330%	3,839.72
Dover-Foxcroft	0.296503%	17,426.73
Eddington	0.139017%	8,170.61
Enfield	0.116763%	6,862.65
Fairfield	0.408549%	24,012.14
Glenburn	0.250042%	14,696.02
Gouldsboro	0.124736%	7,331.26
Greenbush	0.080853%	4,752.07
Guilford	0.211599%	12,436.56
Hampden	0.507683%	29,838.67
Hancock	0.090230%	5,303.20
Hermon	0.411467%	24,183.65
Holden	0.137542%	8,083.92
Jackson	0.016186%	951.32
Lamoine	0.083018%	4,879.32
Lee	0.060512%	3,556.55
Levant	0.130044%	7,643.23
Lincoln	0.599549%	35,238.02
Lucerne	0.033430%	1,964.82
Mariaville	0.019156%	1,125.88
Mars Hill	0.151091%	8,880.25

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Put Option Value		
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Equity Charter Municipality	share	1,500,000.00
Mattawamkeag	0.063687%	3,743.15
Midcoast SWD	1.232567%	72,443.15
Mid-Maine SWD	0.729280%	42,862.85
Milford	0.178976%	10,519.17
Millinocket	0.466113%	27,395.42
Milo	0.196676%	11,559.48
Monson	0.032485%	1,909.28
Mt. Desert area ADD	0.960269%	56,439.05
Newburg	0.080330%	4,721.33
Old Town	0.772617%	45,409.95
Orland	0.079493%	4,672.14
Orono	0.662183%	38,919.28
Otis	0.033372%	1,961.41
Palmyra	0.095658%	5,622.22
Parkman	0.025709%	1,511.03
Penobscot Co.	0.132932%	7,812.97
Pleasant River SWD	0.201455%	11,840.36
Plymouth	0.076122%	4,474.01
Reed Plt	0.014551%	855.22
Rockland	0.850547%	49,990.22
Sangerville	0.070695%	4,155.04
Searsport	0.207542%	12,198.12
Stetson	0.054586%	3,208.25
Steuben	0.076527%	4,497.81
Stonington	0.129296%	7,599.27
Thomaston Group	0.550964%	32,382.47
Thorndike	0.043315%	2,545.81
Troy	0.033720%	1,981.87
Union River SWD	0.048905%	2,874.35
Unity	0.113136%	6,649.48
Vassalboro	0.229933%	13,514.13
Veazie	0.116191%	6,829.03
Verona	0.044567%	2,619.39
Waldoboro Group	0.471227%	27,695.99
Waterville	1.516595%	89,136.67
Winslow	0.469420%	27,589.79
West Gardiner	0.185858%	10,923.66
Winthrop	0.461015%	27,095.79
	25.521400%	1,500,000.00

Schedule 2			Equity Charter Municipalities		
Selling Equity Charter Municipalities			Declined the Put Option		
Put Option Value					
Equity Charter Municipality	LP ownership share	Share value at 1,500,000.00	Equity Charter Municipality	LP ownership share	Share value at 1,500,000.00
Albion	0.115200%	6,770.79			
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Baileyville	0.188154%	11,058.60			
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Orono	0.662183%	38,919.28			
Otis	0.033372%	1,961.41			
Palmyra	0.095658%	5,622.22			

Schedule 2					
Selling Equity Charter Municipalities					
Put Option Value			Equity Charter Municipalities		
	LP ownership	Share value at	Declined the Put Option		
Equity Charter Municipality	share	1,500,000.00	Equity Charter Municipality	LP ownership	Share value at
	share	1,500,000.00		share	1,500,000.00
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	25.109933%	1,475,816.35		0.411467%	24,183.65