



**To:** MRC Members  
**From:** Michael Carroll, MRC Executive Director  
**Date:** September 21, 2021  
**Re:** **Notice of Fundamental Matter or Change per MRC Bylaws**

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At its meeting today, the MRC Board unanimously adopted the enclosed resolution authorizing MRC to terminate the Site Lease with Coastal Resources of Maine, LLC (“Coastal”) if and when necessary to facilitate an alternative sale of the Hampden facility or effectively implement contingency plans to responsibly manage and dispose of MRC Member solid waste. Please note that termination would only be undertaken in the event that existing circumstances make such actions necessary or appropriate.

The attached table provides more detail on this change.

Authorization to terminate the Site Lease with Coastal is identified as a Fundamental Matter or Change as defined in Section 4.5(iii) of the MRC Bylaws, making it subject to Special Voting Rights.

Pursuant to Section 4.5 “Special Voting Rights”, MRC Members have the right to request, within thirty (30) days from the date of this Notice, a special meeting for the purpose of submitting this proposed Fundamental Matter or Change to a vote of the membership. Members are not required to take any action. MRC Bylaws Section 4.2 “Special Meeting” requires that requests be received in writing from Members representing at least 60,000 tons of waste delivered in order for a special meeting to be called.

If a special meeting is not called or this Fundamental Matter or Change is approved at a special meeting of the Members, the MRC can proceed to implement the authorization. However, in this case, the MRC Board has formally committed to holding an additional meeting to provide Members then up-to-date information and an additional opportunity to be heard prior to an MRC Board vote to terminate the Site Lease with Coastal.

Copies of MRC’s Bylaws and the Site Lease are available in the Documents section of MRC’s website under Policies and Contracts.

If you have any questions at all, please contact me at 207-664-1700.

**Fundamental Matter or Change: Authorization to Terminate Site Lease**

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| Existing matter                               | The Site Lease between MRC and Coastal lays out conditions for Coastal's occupancy of the site, including payment of rent, among other obligations.   |
| Proposed change                               | If necessary and appropriate to facilitate an alternative sale of the Facility or to effectively implement contingency plans for solid waste disposal, MRC would be authorized to terminate the Site Lease.   |
| Why a Fundamental Matter or Change            | Section 4.5(iii) of MRC's Bylaws states the authority to terminate the existing Site Lease with Coastal is a Fundamental Matter or Change.  |
| Further details                               | <p>MRC is working with multiple buyers to facilitate a purchase and reopening of the Hampden Facility, and expects additional proposals in a very short time period.</p> <p>MRC anticipates the need to be nimble and responsive to facilitate a possible alternative sale to the DTE transaction or to implement contingency plans for responsible and cost-effective management and disposal of Member solid waste. This may involve termination of the Site Lease with Coastal, the current tenant who remains in default.</p> <p>Because authorization of a Fundamental Matter or Change involves a 30-45 day time period to complete, MRC has decided it is best to initiate this process now rather than later as the winter season approaches.</p> <p>Prior to a vote to terminate the Site Lease with Coastal, the MRC Board has committed to holding an additional meeting to update Members on the then current situation and to provide an additional opportunity for Members to be heard.</p> |
| Basis for MRC Board support                   | Having the option to terminate the Site Lease without delay places MRC and its Members in a better position to facilitate an alternative sale of the Coastal facility or implement contingency plans to manage and dispose of Member solid waste.   |
| Consequences if members vote not to authorize | If this authorization is not granted, it is possible a prospective buyer might withdraw their bid and/or the sale process could continue to drag on for months, leaving the plant without the funds needed to secure and maintain it over the winter. If this authorization is not granted and the MRC Board were to vote in the future to terminate the Site Lease, the 30-45 day Fundamental Matter or Change authorization process would need to occur before the termination could be executed, which could be problematic if a more timely response is needed.   |