

## FAQs about Facility Sale

Updated: June 20, 2022

- \* Can you outline more specifically what the next steps are in this process?

*The Court will hold a hearing on approving the sale on Tuesday, June 21. We are working to finalize closing documents in anticipation of sale approval and a target closing on or before June 30th. MRC will continue to work with the Receiver and all stakeholders through this process.*

- \* What needs to be done to get the facility back up and running? Is it as simple as turning on the machines and bringing in waste, or is there a more complex process ahead?

*It's a little more complex. MRC will be finalizing reopening plans as part of closing on the facility.*

*Generally, from a technical standpoint, equipment will need to be prepared for initial operation (e.g., typical maintenance for these situations) and then turned on to assess any further maintenance or due diligence items to ensure operability. MRC will be working with an experience operator throughout this process. MRC will then be targeting reasonable time periods to further re-commence operations and then begin ramping up with processing of solid waste, and asses any capital improvements as part of improvement planning. We will be providing more detail on this reopening plan in the coming weeks.*

- \* How much will it cost to restart the facility? I think at the big meeting in April, the estimate was around \$20 million, is that still the case?

*MRC's estimate is still in the \$20 million range, subject to further revision and refinement as we proceed with acquisition and reopening plans.*

- \* How does the MRC plan to raise the funds needed to restart the facility?

*By working with financiers, potential partners, and state, and government agencies.*

- \* In terms of the technology inside the facility, is that part of the deal? Will the MRC now own those pieces of equipment, how does that work?

*MRC will own the facility assets, which includes equipment, the building and any fixtures, and key contracts that support the facility's operations.*

- \* What is the MRC projecting the economic viability of the plant being? Does it look like it will be profitable right off the bat or is the aim to break even? Or, should members expect to see an initial investment or loss of money for some time before it becomes profitable?

*MRC has evaluated the economic viability and believes it is viable. The key is to get the facility up and running in a timely manner, so the operations can bring in revenues. With a successful re-start, MRC projects the facility will be successful economically within a short time period following re-commencement of full commercial operation. We believe under MRC ownership and direction, the facility is better positioned for this success, which ultimately benefits each and all of MRC's Members both economically and in sound management of municipal solid waste consistent with the State's solid waste management hierarchy.*

\* How did the agreement to have the MRC buy the plant come about?

*Coastal has been in receivership since July 2020 that has involved prior solicitations for bidders/sales that did not result in a closing. Due to the passage of time, and the need to find a new owner, MRC and the Trustee reached an agreement in which the MRC would purchase the plant in a "stalking horse" bid subject to higher and better offers from qualified bidders. A qualified bidder is someone who can demonstrate sufficient technical and financial capabilities to buy and operate the plant. Since no interested bidder met these qualifications, the sale to MRC is moving forward. Under MRC's ownership and direction, we believe the plant will be better positioned for a successful restart, which ultimately benefits each and all of MRC's Members both economically and in sound management of municipal solid waste consistent with the State's solid waste management hierarchy.*

\* Do you expect the sale to be closed by the end of the month?

*We expect the sale to close at or near the end of the month of June. The Court still needs to approve the sale, and we anticipate the Court will act shortly in the coming days/week.*

\* How much will the organization be purchasing the plant for?

*The purchase price is \$1.5 million minus certain costs regarding the plant, but in no case less than \$1 million. We anticipate the final purchase prices will be between \$1.0 and \$1.25 million.*

\* Do you know when the plant might be open again?

*We are finalizing plans to reopen the facility as we also work on closing documents. We expect to provide more details shortly on estimated time frames and plans to get the plant back up and running from both a technical and financial standpoint. We are mindful the plant has been dormant for some time, so there will be a need to do maintenance checks/work as equipment gets turned on and we move forward with start-up plans. In this respect, MRC will be working with an experienced operator and other key stakeholders throughout the process.*