

CREDIT ENHANCEMENT AGREEMENT

between

THE TOWN OF WISCASSET, MAINE

And

RYNEL, INC.

DATED: _____, 2014

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EXHIBITS

Exhibit 1 Copies of Exhibits B-1 and B-2 from Amended and Restated Development Program – District Maps

THIS CREDIT ENHANCEMENT AGREEMENT dated as of _____, 2014, between the Town of Wiscasset, Maine (the "Town"), a municipal corporation and political subdivision of the State of Maine, and Rynel, Inc. ("Rynel" or the "Company"), a Delaware Corporation registered to do business under the laws of the State of Maine.

WITNESSETH THAT

WHEREAS, the Town designated the Ferry Crossing-Rynel Municipal Development and Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by Vote adopted by the Town at a town meeting duly called and held on December 1, 2004 (the "Original Vote") and pursuant to the same Original Vote adopted a development Program for the Original District (the "Original Development Program"); and

WHEREAS, such District and Original Development Program were approved by the Commissioner of the State of Maine Department of Economic and Community Development ("DECD") in a letter dated March 29, 2005; and

WHEREAS, the Town adopted an amended and restated development program for the District (the "Amended and Restated Development Program") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by Vote of the Town at a town meeting duly called and held on January 14, 2013 (the "Vote"); and

WHEREAS, the Town anticipates the approval of the Amended and Restated Development Program for the District by DECD; and

WHEREAS, during the Vote, the Town also authorized the Town Manager to execute a credit enhancement agreement with Rynel as contemplated by the Amended and Restated Development Program in the name of and on behalf of the Town; and

WHEREAS, the Town and Rynel desire and intend that this Credit Enhancement Agreement be and constitute the credit enhancement agreement contemplated by and described in the Amended and Restated Development Program.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Agreement” shall mean this Credit Enhancement Agreement between the Town and Rynel dated as of the date set forth above, as such may be amended from time to time.

“Amended and Restated Development Program” shall have the meaning given such term in the recitals hereto.

“Captured Assessed Value” means the amount, stated as a percentage, of the Increased Assessed Value of the Rynel Property that is retained in the District in each Tax Year during the term of the District, as specified in Section 2.3 hereof.

“Commissioner” means the Commissioner of the Maine Department of Economic and Community Development.

“Company Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund set aside for Rynel as described in the Financial Plan Section of the Amended and Restated Development Program and established and maintained pursuant to Article II hereof.

“Current Assessed Value” means the then-current assessed value of the Rynel Property located in the District as determined by the Town Tax Assessor as of April 1 of each Tax Year during the term of this Agreement.

“Development Costs” shall mean all amounts expended or incurred by Rynel for improvements constructed within the District after approval by the Town of Wiscasset town meeting of the Amended and Restated Development Program. “Development Costs” shall include, without limitation, Rynel’s design and engineering costs; permitting costs; legal expenses (but excluding legal and related expenses incurred by Rynel in negotiating and obtaining approval of the District); construction costs; and building fit-up expenses for the new improvements.

“Development Program Fund” means the Development Program Fund described in the Financial Plan section of the Amended and Restated Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S.A. § 5227(3)(A). The Development Program Fund shall consist of a Project Cost Account, which includes two sub-accounts designated as the “Company TIF Account” and “Town Project Account.”

“District” shall have the meaning given such term in the first recital hereto, which is more specifically comprised of approximately 13.96 acres of real property as identified on Exhibit 1 hereto.

“Effective Date of the Amended and Restated Development Program” means the date of final approval of the Amended and Restated Development Program by the Commissioner pursuant to the Act.

“Financial Plan” means the financial plan described in the “Financial Plan” Section of the Amended and Restated Development Program.

“Fiscal Year” means July 1 to June 30 each year or such other fiscal year as the Town may from time to time establish.

“Increased Assessed Value” means, for each Fiscal Year during the term of this Agreement, the amount by which the Current Assessed Value for such year exceeds the Original Assessed Value. If the Current Assessed Value is less than or equal to the Original Assessed Value in any given Tax Year, there is no Increased Assessed Value in that year.

“Original Assessed Value” means forty thousand and five hundred and nineteen dollars (\$40,519), the taxable assessed value of the Rynel Property as of March 31, 2004 [April 1, 2003].

“Personal Property Tax Increment Revenues” means that portion of all personal property taxes assessed and paid to the Town in any Tax Year, in excess of any state, or special district tax, upon the Captured Assessed Value.

“Project Cost Account” means the project cost account described in the Financial Plan Section of the Amended and Restated Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5227(3)(A)(1) and Article II hereof.

“Property Taxes” means any and all *ad valorem* property taxes levied, charged or assessed against the Rynel Property located in the District by the Town, or on its behalf.

“Real Property Tax Increment Revenues” means that portion of all real property taxes assessed and paid to the Town in any Tax Year, in excess of any state, or special district tax, upon the Captured Assessed Value.

“Rynel Property” means the taxable real and personal property located in the District and taxable to Rynel, Inc. and/or its parent or any affiliated entities of Rynel or its parent. The Rynel Property expressly does not include any taxable real or personal property now or later located within the District but not taxable to Rynel, its parent, and/or any affiliated entities of Rynel or its parent.

“State” means the State of Maine.

“Tax Increment Revenues” means that portion of all real and personal property taxes assessed and paid to the Town in any Tax Year, in excess of any state, or special district tax, upon the Captured Assessed Value.

“Tax Payment Date” means the later of the date(s) on which property taxes levied by the Town are due and payable from owners of property located within the Town, or are actually paid to the Town with respect to taxable property located within the District.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5222(18), as amended, to wit: April 1 to March 31.

“Town” shall have the meaning given such term in the first paragraph hereto.

“Town Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District set aside for the Town as defined in the Financial Plan Section of the Amended and Restated Development Program and established and maintained according to Article II hereof.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

ARTICLE II

DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

Within sixty (60) days after the Effective Date of the Amended and Restated Development Program, the Town shall create and establish a segregated fund in the name of the Town designated as the “Ferry-Crossing-Rynel Municipal Development and Tax Increment Financing District Fund” (hereinafter the “Development Program Fund”) pursuant to, and in accordance with the terms and conditions of, the Amended and Restated Development Program and 30-A M.R.S.A. § 5227(3). The Development Program Fund shall consist of a Project Cost Account that is pledged to and charged with the payment of project costs as outlined in the Financial Plan of the Amended and Restated Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(1), and, if necessary, may also consist of a Sinking Fund Account that is pledged to and charged with the payment of Town indebtedness, if any, as outlined in the Financial Plan of the Amended and Restated Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(2). The Project Cost Account shall also contain two subaccounts designated as the “Company Project Cost Subaccount” and the “Town Project Cost Subaccount.” The Development Program Fund is pledged to and charged with the payment of costs in the manner and priority provided in 30-A M.R.S.A. § 5227(3)(B) and as set forth in Section 3.1(b) below.

Section 2.2. Liens.

The Town shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the Company Project Cost Subaccount described in Section 2.1 hereof or any funds therein, other than the interest in favor of Rynel hereunder in and to the amounts on deposit; provided, however, that nothing herein shall prohibit the creation of property tax liens on property in the District in accordance with and entitled to priority pursuant to Maine law.

Section 2.3. Captured Assessed Value; Deposits into Development Program Fund.

(a) Each year during the term of this Agreement, commencing with the Tax Year following the Tax Year in which the Effective Date of the Amended and Restated Development Program falls and continuing thereafter for the remainder of the term of the District pursuant to the Amended and Restated Development Program (collectively, the “CEA Years”), the Town shall retain in the District one hundred percent (100%) of the Increased Assessed Value as Captured Assessed Value.

(b) Under the Original Development Program, the Town captures 100% of the increased assessed value over the original assessed value and retains within the District the new tax revenues generated by that portion of the new assessed value. The Original Development Program allocates a portion (35%) of TIF revenues to Rynel to defray the cost of its relocation and expansion. The Town retains the remaining portion (65%) of TIF revenues to be divided between bond debt service (40%) and an economic development fund (25%). The Original

Development Program also states that in the event that the 40% of TIF revenues allocated to cover the Town's bond debt service is insufficient in any given year, Rynel pays the difference. The term of the Original Development Program is twenty (20) years, ending after tax year 2024, which provision shall cease for purposes of this Credit Enhancement Agreement.

Notwithstanding anything to the contrary herein, any augmentations of the credit enhancement benefit provided under the original Development Program shall not become effective with respect to Rynel until Rynel has exercised its option to purchase the parcel comprising the District pursuant to Rynel's lease dated December 30, 2004 with Ferry Road Development Co., LLC and Ferry Road Development Co., LLC has released any interest in the existing District and credit enhancement benefit to Rynel. Subject to Article VII concerning assignments of this Agreement, this provision shall not limit Rynel's right to assign its rights under the Lease's purchase option or to transfer title to the parcel comprising the District to a new landlord or owner following Rynel's exercise of its purchase option.

(c) For each of the CEA Years, the Town shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Tax Increment Revenues. The Town shall allocate an amount of Real Property Tax Increment Revenues so deposited in the Development Program Fund to the Company Project Cost Subaccount of the Project Cost Account as follows.

- (i) The allocation of Real Property Tax Increment Revenues from the Captured Assessed Value as of April 1, 2013 (\$2,390,081) will remain Thirty-Five Percent (35%) allocated to the Company Project Cost Subaccount and Sixty-Five Percent (65%) allocated to the Town through the end of the original District term (tax year 2024). From tax year 2025 through the end of the extended District term, the allocation of Real Property Tax Increment Revenues from the Captured Assessed Value as of April 1, 2013 (\$2,390,081) will be either Twenty Percent (20%) allocated to the Company Project Cost Subaccount with the remainder of the Real Property Tax Increment Revenues from the Captured Assessed Value as of April 1, 2013 allocated to the Town's uses in the Development Program Fund.
- (ii) Any Real Property Tax Increment Financing Revenues relating to an increase in assessed value over the April 1, 2013 assessed value (the "New TIF Revenues"), will be allocated between the Company Project Cost Subaccount and the Development Program Fund for the benefit of the Town as follows: each will receive fifty percent (50%) of the New TIF Revenues, subject to the following limitation: the Development Costs undertaken for Rynel's improvements within the District after approval by the Town of Wiscasset town meeting of the Amended and Restated Development Program must equal at least Five Million Five Hundred Thousand Dollars (\$5,500,000.00) before April 1, 2015 in order for the Town to be obligated to make deposits into the Company Project Cost Subaccount from New TIF Revenues in tax year 2015 and all subsequent years. At least Four Million Six Hundred Seventy Five

Thousand Dollars (\$4,675,000) of the Five Million Five Hundred Thousand Dollars (\$5,500,000) in Development Costs must be comprised of construction costs as opposed to soft costs such as design, engineering, permitting and legal expenses associated with Rynel's improvements within the District. Rynel will be obligated to demonstrate through documentary evidence such Development Costs to the Town Manager of the Town.

(d) Except as provided in Section 3.1(b) hereof, for each of the CEA Years, the Town shall deposit the remaining Tax Increment Revenues not deposited to the Company Project Cost Subaccount of the Project Cost Account into the Sinking Fund Account to the extent and in such amounts necessary to finance the costs for any municipal projects permitted in the Amended and Restated Development Program undertaken by the Town and financed with bonded indebtedness, if any, and otherwise to the Town Project Cost Subaccount of the Project Cost Account for use by the Town to fund the cost of Town projects as described in the Amended and Restated Development Program.

(e) In the event that the personal property within the District becomes fully taxable by the Town through an amendment to State statutes governing property tax exemptions, then the Town shall allocate the Personal Property Tax Increment Revenues in the same manner as Real Property Tax Increment Revenues pursuant to subsections (b), (c) and (d) above. In such circumstance, all Tax Increment Revenues shall be treated as Real Property Tax Increment Revenues and allocated as such.

Section 2.4. Use of Monies in Development Program Fund.

All monies in the Development Program Fund that are allocable to and/or deposited in Company Project Cost Subaccount shall in all cases be used and applied to fund fully the Town's payment obligations to Rynel as described in Articles II and III hereof.

Section 2.5. Monies Held in Segregated Account.

All monies required to be deposited with or paid into Company Project Cost Subaccount under the provisions hereof and the provisions of the Amended and Restated Development Program, and any investment earnings thereon, shall be held by the Town for the benefit of Rynel.

ARTICLE III PAYMENT OBLIGATIONS

Section 3.1. Company Payments.

(a) The Town agrees to pay Rynel, within thirty (30) days following the date the Tax Payment Date, all amounts then on deposit in Company Project Cost Subaccount.

(b) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against real or personal property

located in the District remain unpaid, because of a valuation dispute or otherwise, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value; and second, shall constitute payment of Property Taxes with respect to Increased Assessed Value, to be applied first to payment in full of the applicable Town percent share of the Tax Increment Revenues for the year concerned and deposited into the Sinking Fund and/or the Town Project Cost Subaccount in accordance with Article II hereof; and third, to the extent of funds remaining, to payment of Rynel's share of the Tax Increment Revenues for the year concerned, to be deposited into Company Project Cost Subaccount.

Section 3.2. Failure to Make Payment.

(a) In the event the Town should fail to, or be unable to, make any of the payments at the time and in the amount required under the foregoing provisions of this Article III including in the event that the amount deposited into Company Project Cost Subaccount is insufficient to reimburse Rynel for the full amount due to Rynel under this Agreement, the amount or installment so unpaid shall continue as a limited obligation of the Town, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. Rynel shall have the right to initiate and maintain an action to specifically enforce the Town's obligations hereunder, including without limitation, the Town's obligation to deposit Tax Increment Revenues to Company Project Cost Subaccount and its obligation to make payment out of Company Project Cost Subaccount to Rynel.

(b) Any payment from the Town to Rynel not paid within thirty (30) days following the Tax Payment Date, as specified in Section 3.1 above, shall be subject to payment of interest by the Town at the same rate applicable to refunds of abated property taxes. The provision in this section 3.2(b) of an interest rate on late payments by the Town shall not limit Rynel's right under section 5.2 below to collect or require immediate payment of past due Town payments.

Section 3.3. Manner of Payments.

The payments provided for in this Article III shall be paid directly to Rynel at the address specified in Section 8.7 hereof in the manner provided hereinabove for Rynel's own use and benefit by check drawn on the Town.

Section 3.4. Obligations Unconditional.

Subject to compliance with the terms and conditions of this Agreement, the obligations of the Town to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional, and the Town shall not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, other than by court order or by reason of a final judgment by a court of competent jurisdiction that the District is invalid or otherwise illegal.

Section 3.5. Limited Obligation.

The Town's obligations of payment hereunder shall be limited obligations of the Town payable solely from Tax Increment Revenues pledged therefor under this Agreement. The Town's obligations hereunder shall not constitute a general debt or a general obligation or charge

against or pledge of the faith and credit or taxing power of the Town, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of Tax Increment Revenues payable to Rynel hereunder, whether or not actually deposited into Company Project Cost Subaccount in the Development Program Fund. This Agreement shall not directly, indirectly or contingently obligate the Town, the State of Maine, or any other Town or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the pledge of the Tax Increment Revenues established under this Agreement.

ARTICLE IV PLEDGE AND SECURITY INTEREST

Section 4.1. Pledge of and Grant of Security Interest in Company Project Cost Subaccount.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to Rynel by the Town, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the Town's covenants and agreements contained herein, the Town does hereby grant a security interest in and pledge Company Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein to Rynel.

Section 4.2. Perfection of Interest.

(a) To the extent deemed necessary or desirable by Rynel, the Town will at such time and from time to time as reasonably requested by Rynel establish the Company Project Cost Subaccount described in Section 2.1 hereof as a segregated fund under the control of an escrow agent, trustee or other fiduciary selected by Rynel so as to perfect Rynel's interest therein. The cost of establishing and monitoring such a fund (including the cost of counsel to the Town with respect thereto) shall be borne exclusively by Rynel. In the event such a fund is established under the control of a trustee or fiduciary, the Town shall cooperate with Rynel in causing appropriate financing statements and continuation statements naming Rynel as pledgee of all such amounts from time to time on deposit in the fund to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder.

(b) In the event Rynel requires the establishment of a segregated fund in accordance with this Section 4.2, the Town's responsibility shall be expressly limited to delivering the amounts required by this Agreement to the escrow agent, trustee or other fiduciary designated by Rynel. The Town shall have no liability for payment over of the funds concerned to Rynel by any such escrow agent, trustee or other fiduciary, or for any misappropriation, investment losses or other losses in the hands of such escrow agent, trustee or other fiduciary. Notwithstanding any change in the identity of Rynel's designated escrow agent, trustee or other fiduciary, the

Town shall have no liability for misdelivery of funds if delivered in accordance with Rynel's most recent written designation or instructions actually received by the Town.

Section 4.3. Further Instruments.

The Town shall, upon the reasonable request of Rynel, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the Town; and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the Town with respect thereto) shall be borne exclusively by Rynel.

Section 4.4. No Disposition of Company Project Cost Subaccount.

Except as permitted hereunder, the Town shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in Company Project Cost Subaccount and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part thereof not permitted hereby.

Section 4.5. Access to Books and Records.

(a) All books, records and documents in the possession of the Town relating to the District, the Amended and Restated Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into Company Project Cost Subaccount shall at all reasonable times and upon reasonable notice be open to inspection by Rynel, its agents and employees.

(b) All non-confidential books, records and documents in the possession of Rynel relating to the District, the Amended and Restated Development Program and this Agreement shall upon reasonable notice be open to inspection by the Town, its agents and employees; however, Rynel's obligation to demonstrate Development Costs pursuant to Section 2.3(c)(ii) shall not necessarily be limited to non-confidential documentation alone.

**ARTICLE V
DEFAULTS AND REMEDIES**

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an "Event of Default":

(a) Any failure by the Town to pay any amounts due to Rynel when the same shall become due and payable;

(b) Any failure by the Town to make deposits into Company Project Cost Subaccount as and when due;

(c) Any failure by the Town or Rynel to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the Town or Rynel to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof; and

(d) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the Town's affairs shall have been entered against the Town or the Town shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Town or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by the Town or the failure by the Town to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Town.

Section 5.2. Remedies on Default.

Subject to the provisions contained in Section 8.13, whenever any Event of Default described in Section 5.1 hereof shall have occurred and be continuing, the nondefaulting party, following the expiration of any applicable cure period, shall have all rights and remedies available to it at law or in equity, including the rights and remedies available to a secured party under the laws of the State of Maine, and may take whatever action as may be necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the nondefaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder.

Section 5.3. Remedies Cumulative.

Subject to the provisions of Section 8.13 below concerning dispute resolution, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

ARTICLE VI EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

Notwithstanding any other provision of this Agreement, this Agreement is conditioned upon receipt of the Commissioner's unconditional approval of the Town's designation of the District and adoption of the Amended and Restated Development Program. Following execution and delivery of this Agreement, the Agreement shall not be or become binding and enforceable until receipt of such unconditional approval. Upon receipt of such approval, this Agreement shall remain in full force from the Effective Date of the Amended and Restated Development Program and shall expire upon the payment of all amounts due to Rynel hereunder and the performance of all obligations on the part of the Town hereunder unless sooner terminated pursuant to Section 3.4 or any other applicable provision of this Agreement.

Section 6.2. Cancellation and Expiration of Term.

At the acceleration, termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the Town and Rynel shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII ASSIGNMENT AND PLEDGE OF RYNEL'S INTEREST

Section 7.1. Consent to Pledge and/or Assignment.

The Town hereby acknowledges that Rynel may from time to time pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing improvements by or on behalf of Rynel within the District, although no obligation is hereby imposed on Rynel to make such assignment or pledge. Recognizing this possibility, the Town does hereby consent and agree to the pledge and assignment of all Rynel's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Rynel hereunder, to third parties as collateral or security for financing such development, on one or more occasions during the term hereof. The Town agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by such prospective pledgee or assignee, including without limitation recognition of the pledgee or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder. The Town agrees to execute and deliver any other documentation as shall confirm to such pledgee or assignee the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to such pledgee or assignee such rights and/or remedies as Rynel or such pledgee or assignee may reasonably deem necessary for the establishment, perfection and protection of its interest herein. Rynel shall be responsible for the Town's necessary and reasonable costs of counsel with respect to any such pledge or assignment.

Section 7.2. Pledge, Assignment or Security Interest.

Except as provided in Section 7.1 hereof, and except for the purpose of securing financing for improvements by or on behalf of Rynel within the District, Rynel shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the Board of Selectmen of the Town, which consent shall not be unreasonably withheld.

**ARTICLE VIII
MISCELLANEOUS**

Section 8.1. Successors.

In the event of the dissolution, merger or consolidation of the Town or Rynel, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties-in-Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Town and Rynel any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the Town and Rynel.

Section 8.3. Severability.

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 8.4. No Town Liability.

(a) No covenant, stipulation, obligation or agreement of the Town contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the Town in his or her individual capacity, and neither the Town Council nor any official, officer, employee or agent of the Town shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation or agreement of Rynel contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future officer, agent, servant or employee of Rynel in his or her individual capacity, and no official, officer, employee

or agent of Rynel shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(c) Rynel shall be liable for and shall defend and indemnify the Town against any and all third-party claims to Tax Increment Revenues from the District.

Section 8.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.6. Governing Law.

The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the Town or Rynel pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

If to the Town:

Town of Wiscasset
51 Bath Road
Wiscasset, ME 04578-4108
Attention: Town Manager

With a copy to:

Bernstein Shur
100 Middle Street
P.O. Box 9729
Portland, Maine 04104-5029
Attn: Shana Cook Mueller, Esq.

If to Rynel:

Molnlycke Health Care
11 Twin Rivers Drive
Wiscasset, ME 04578
Attn: Site Director

With a copy to:

Molnlycke Health Care
5550 Peachtree Parkway, Suite 500
Norcross, GA 30092
Attn: Legal Department

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 8.8. Amendments.

This Agreement may be amended only with the concurring written consent of both of the parties hereto.

Section 8.9. Reserved.

Section 8.10. Benefit of Assignees or Pledges.

The Town agrees that this Agreement is executed in part to induce assignees or pledges to provide financing for improvements by or on behalf of Rynel within the District and accordingly all covenants and agreements on the part of the Town as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of Rynel's right, title and interest herein.

Section 8.11. Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the Town and Rynel relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.12. Reserved.

Section 8.13. Dispute Resolution.

In the event of a dispute regarding this Agreement or the transactions contemplated by it, the parties hereto will use all reasonable efforts to resolve the dispute on an amicable basis. If the dispute is not resolved on that basis within sixty (60) days after one party first brings the dispute to the attention of the other party, then either party may refer the dispute for resolution by one arbitrator mutually agreed to by the parties, and judgment on the award rendered by the arbitrator may be entered in any Maine state court having jurisdiction. Any such arbitration will take place in Wiscasset, Maine or such other location as mutually agreed by the parties. The parties acknowledge that arbitration shall be the sole mechanism for dispute resolution under this Agreement. Provided however, that in the event the parties are unable to agree, within a reasonable period, on the selection of an arbitrator, either party may file suit to resolve the dispute in any court having jurisdiction within the State of Maine. This arbitration clause shall

not bar the Town's assessment or collection of property taxes in accord with law, including by judicial proceedings, including tax lien thereof.

Section 8.14. Tax Laws and Valuation Agreement.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the Town, by entering into this Agreement, is not excusing any non-payment of taxes by Rynel. Without limiting the foregoing, the Town and Rynel shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Rynel's property. In addition, the Amended and Restated Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The Town and Rynel hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Amended and Restated Development Program shall in no way (a) prejudice the rights of any party or be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of or abatement proceedings relating to Rynel's property for purposes of ad valorem property taxation or (b) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

IN WITNESS WHEREOF, the Town and Rynel have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

WITNESS:

TOWN OF WISCASSET

By: _____
Name: Laurie Smith
Its Town Manager

WITNESS:

RYNEL, INC.

By: _____
Name: James W. Detert
Its _____

**ECONOMIC DEVELOPMENT
TOWN OF WISCASSET, MAINE**

*An Application for an Amended Development Program for an Existing Municipal Development
and Tax Increment Financing District*

**FIRST AMENDED AND RESTATED FERRY CROSSING-RYNEL
MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING
DISTRICT DEVELOPMENT PROGRAM**

Presented to:
TOWN OF WISCASSET

DATED: January 14, 2014

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SCHEDULES:

- 1 DECD 2005 Approval Letter for District and Development Program

EXHIBITS:

- A TIF and Tax Shift Projections
- B-1 TIF District Location Map
- B-2 TIF District Area Map
- C Reserved
- D Reserved
- E Board of Assessors' Certificate of Original Assessed Value
- E-2 Board of Assessors' Certificate of April 1, 2013 Assessed Value
- F Notice of Public Hearing
- F-2 Notice of Public Hearing - Amendment
- G Special Town Meeting Warrant Article
- G-2 Special Town Meeting Warrant Article- Amendment
- H Minutes from Public Hearing
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- I Minutes from Special Town Meeting – Authorizing Votes
- I-2 Minutes from Special Town Meeting- Authorizing Votes - Amendment

I. Introduction

A. The District and Original Development Program

In December 2004, the Town of Wiscasset (the “Town”) designated the Ferry Crossing-Rynel Municipal Development and Tax Increment Financing District (the “District”) and adopted the Development Program for said District (the “Original Development Program”). The District and Original Development Program, approved by the State of Maine Department of Economic and Community Development on March 29, 2005, were created to support the redevelopment of a large tract of land formerly owned by Maine Yankee Atomic Power Company for a new commercial use by property owner Point East and its tenant, Rynel, Inc. (the “Company” or “Rynel”).

The Town of Wiscasset approved an authorization for a bond for phase 1 infrastructure improvements to include road, water and sewer line extensions, and 3-phase power in the District. TIF revenues from the District were allocated to the Town for infrastructure debt service costs and for an economic development fund, and to Rynel to fund a portion of the company relocation and expansion costs.

The District encompasses a 13.96-acre lot (Lot 2) in the Ferry Crossing Business and Technology Park. Under the Original Development Program, the Town captures 100% of the increased assessed value over the original assessed value and retains within the District the new tax revenues generated by that portion of the new assessed value. Thirty-five Percent (35%) of TIF revenues are allocated to Rynel to defray the cost of its relocation and expansion. The Town retains the remaining portion (65%) of TIF revenues to be divided between bond debt service (40%) and an economic development fund (25%). In the event that the 40% of TIF revenues allocated to cover the Town’s bond debt service is insufficient in any given year, the Original Development Program stated that Rynel would pay the difference.

Attached as Schedule 1 is a copy of the March 29, 2005 letter from the Commissioner of the Maine Department of Economic and Community Development approving the Town’s designation of the District and approval of the Original Development Program.

B. Overview of the First Amended and Restated Development Program

The Town now seeks to amend the Original Development Program in order to support a proposed expansion of operations by Rynel. The physical boundaries of the District would remain the same and the One Hundred Percent (100%) captured value percentage shall remain intact. However, the term and TIF revenue allocations would change. The term of the amended District and Development Program would be extended to a total of thirty (30) years, adding ten (10) years to the term of the Original Development Program’s term.

The allocation of TIF revenues will change such that the captured assessed value associated with personal property shall be treated separately from the captured assessed value associated with real property. All property taxes paid on captured assessed value associated with personal property (“Personal Property TIF Revenues”) within the District, including any reimbursement from the State of Maine to the Town for exempt personal property located within the District, will be retained by the Town for use on Town economic development projects. In the event that the personal property within the District becomes fully taxable by the Town through an amendment to State statutes governing property tax exemptions, then the differentiation between Personal Property TIF Revenues and the TIF revenues relating to the captured assessed value of real property in the District (“Real Property TIF Revenues”) shall cease and all such TIF Revenues shall be governed by the terms described below for Real Property TIF Revenues.

Any augmentations of the credit enhancement benefit provided under the original Development Program shall not become effective with respect to Rynel until Rynel has exercised its option to purchase the parcel comprising the District pursuant to Rynel’s lease dated December 30, 2004 with Ferry Road Development Co., LLC and Ferry Road Development Co. has released any interest in the existing District and credit enhancement benefit to Rynel, subject to further parameters explained in detail in a credit enhancement agreement governing the allocation of TIF revenues between the Town and Rynel.

Existing Captured Assessed Value

The allocation of Real Property TIF Revenues between Rynel and the Town relating to the Captured Assessed Value as of April 1, 2013 (\$2,390,081) will remain Thirty-Five Percent (35%) allocated to Rynel and Sixty-Five Percent (65%) allocated to the Town through the end of the original District term (tax year 2024). From tax year 2025 through the end of the extended District term, the allocation of Real Property Tax Increment Revenues from the Captured Assessed Value as of April 1, 2013 (\$2,390,081) to Rynel will be Twenty Percent (20%) and Eighty Percent (80%) will be allocated to the Town.

New Captured Assessed Value

Any Real Property TIF Revenues from an increase in assessed value over the April 1, 2013 assessed value (the “New TIF Revenues”), will be allocated between Rynel and the Town as follows: Rynel and the Town would each receive fifty percent (50%) of the New TIF Revenues, subject to the following limitation: the development costs undertaken for Rynel’s improvements within the District after approval by the Town of Wiscasset town meeting of this Amendment must equal at least Five Million-Five Hundred Thousand Dollars (\$5,500,000.00) before April 1, 2015 in order for Rynel to receive its share of New TIF Revenues in tax year 2015 and all subsequent years.

Beginning on the date of this Amendment, the Town’s share of all TIF revenues will no longer be divided between debt service and an economic development fund at a specific percentage, but shall be used to fund the items specified in Table 1 below as determined annually by the Town.

This Amended and Restated Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the “TIF Statute”).

II. Development Program Narrative

A. The Development District

In 2004 the Town of Wiscasset proposed the creation of an economic partnership between the Town, Rynel and Point East for the development of this project through the designation of a TIF District. The District encompasses Lot 2 of a four lot subdivision, identified on a portion of tax map R-8 lot 6. The Town is not proposing to amend the District boundaries, which will continue to be the boundaries of Lot 2 of the Ferry Crossing Business and Technology Park.

B. The Project

The original Project is described briefly above, and described more fully throughout the Original Development Program. Rynel currently occupies a 40,000_square-foot facility on Lot 2. Rynel was recently purchased by Mölnlycke Health Care, who has proposed a 32,000 square-foot expansion to the existing Rynel facility.

Mölnlycke Wiscasset (Rynel) is a world-class developer and manufacturer of hydrophilic foam used in medical and cosmetic applications. The foam is used extensively in advanced wound care both for the parent-company's foam wound dressings and also for external customers for wound care and other medical applications.

The company started operations in East Boothbay in 1973 and moved to its current 40,000 square foot location in Wiscasset in 2005. Since then it has made significant investments in equipment and personnel employing approximately 70 people full time today. Mölnlycke is proud to offer a full benefits package including, but not limited to, health and dental insurance, life and disability insurance as well as 401K and profit sharing programs. Mölnlycke is dedicated to life-long learning and development of employees and provides numerous opportunities for growth including training seminars and alternate assignments in the US and in other world-wide locations.

In addition to being a manufacturing facility it also serves as the worldwide foam R&D center for Mölnlycke Healthcare. The R&D group in Wiscasset consists of PhD chemists, chemists, biologists, engineers and technicians. Lab and pilot equipment is used to develop and scale-up new polymers and foams for use in wound care.

The foam manufactured in Wiscasset is shipped to customers all over the world but most importantly to Mölnlycke large converting factory in Mikkeli, Finland. Starting in Dec 2013 some of the foam from Wiscasset will be shipped to the brand-new converting factory that has been built at Brunswick Landing in Brunswick, Maine. Mölnlycke will supply the large and fastest-growing North American market from Brunswick using the foam manufactured in Wiscasset. Wiscasset will continue to ship foam to the Mikkeli, Finland facility as well.

The contemplated investment will allow Mölnlycke Wiscasset to expand its R&D facilities, provide additional space for future foam line expansion and create space for an additional

manufacturing operation that the Company wants to move from St. Paul, MN. This new operation will bring new technology to Wiscasset and will expand current and future employment at the site.

C. Strategic Growth and Development

The District and the Original Development Program have resulted in a successful re-use of land formerly owned by the Maine Yankee Atomic Power Company, increased the assessed value of the property and provided new employment opportunities. The proposed expansion by Mölnlycke will further increase the assessed value of the property and will create even more jobs.

This expansion project will advance the Town of Wiscasset's goal, as well as the State of Maine's goals to provide new employment opportunities, broaden the tax base, and improve the state and local economy.

In addition to TIF revenues from this project assisting in the development of the business and technology park, they also create a means for the Town to capitalize on the business generated by the Ferry Crossing development. The project is designed to increase the flow of business to the Town of Wiscasset, which will mean more potential customers to area businesses.

The development of the Ferry Crossing Business and Technology Park project:

- Replaces lost valuation;
- Creates long and short term jobs for area residents;
- Stabilizes, strengthens, and diversifies the tax base of the community;
- Increases property tax revenues; and
- Creates minimal demand for local services.

Also, as a technology and office based business park, business is transacted both within and outside of the State of Maine, thus bringing wealth into the State, improving both the State and local economy.

D. The Development Program

This Amended and Restated Development Program continues to capture improvements made within the District and permit tax increment financing for the Town's bond debt service and economic development fund, as well as Rynel's relocation and expansion costs. The TIF District will apply to the increase in assessed taxable personal property and taxable real estate value as a result of this project.

Under the Original Development Program, the Town captures 100% of the increased assessed value over the original assessed value and retains within the District the new tax revenues generated by that portion of the new assessed value. The Original Development Program allocates a portion (35%) of TIF revenues to Rynel to defray the cost of its relocation and expansion. The Town retains the remaining portion (65%) of TIF revenues to be divided between bond debt service (40%) and an economic development fund (25%). The Original Development Program also states that in the event that the 40% of TIF revenues allocated to

cover the Town's bond debt service is insufficient in any given year, Rynel pays the difference. The term of the Original Development Program is twenty (20) years, ending after tax year 2024.

The allocation of TIF revenues will change such that the captured assessed value associated with personal property shall be treated separately from the captured assessed value associated with real property. All property taxes paid on captured assessed value associated with personal property ("Personal Property TIF Revenues") within the District, including any reimbursement from the State of Maine to the Town for exempt personal property located within the District, will be retained by the Town for use on Town economic development projects. In the event that the personal property within the District becomes fully taxable by the Town through an amendment to State statutes governing property tax exemptions, then the differentiation between Personal Property TIF Revenues and the TIF revenues relating to the captured assessed value of real property in the District ("Real Property TIF Revenues") shall cease and all such TIF Revenues shall be governed by the terms described below for Real Property TIF Revenues.

Any augmentations of the credit enhancement benefit provided under the original Development Program shall not become effective with respect to Rynel until Rynel has exercised its option to purchase the parcel comprising the District pursuant to Rynel's lease dated December 30, 2004 with Ferry Road Development Co., LLC and Ferry Road Development Co. has released any interest in the existing District and credit enhancement benefit to Rynel, subject to further parameters explained in detail in a credit enhancement agreement governing the allocation of TIF revenues between the Town and Rynel.

Please refer to Section I.B. above and the Credit Enhancement Agreement between Rynel and the Town for a description of the allocation of Real Property Tax Increment Financing Revenues (relating to Captured Assessed Value (as of April 1, 2013) and for New TIF Revenues) to Rynel and the Town. Rynel will enter into a credit enhancement agreement with the Town regarding the allocation of TIF revenues to Rynel and the Town.

Beginning on the date of this Amendment, the Town's share of all TIF revenues will no longer be divided between debt service and an economic development fund at a specific percentage, but shall be used to fund the items specified in Table 1 below as determined annually by the Town.

The Assessors, in the Assessors' Certificate (Exhibit E), have certified the increased assessed value of the District as of March 31, 2004 (April 1, 2003). The Board of Assessors has also executed a certificate of the April 1, 2013 assessed value and captured assessed value for purposes of administering the allocation of Real Property Tax Increment Financing Revenues with respect to Captured Assessed Value as of April 1, 2013 and Captured Assessed Value added after April 1, 2013. The term of the Amended and Restated Development Program is thirty (30) years, ending in tax year 2034.

The Town's and Rynel's allocation of TIF revenues is described in projections shown in Exhibit A consistent with the provisions of this Amended and Restated Development Program. The specific criteria for this arrangement will be detailed in a credit enhancement agreement. TIF revenues allocated to Rynel will be used to offset relocation and expansion costs. TIF revenues allocated to the Town will be used to pay for infrastructure related bond debt service and to fund an economic development fund as set forth below in Table 1 below. As of the date of this

Amendment, if TIF revenues allocated to the Town are insufficient to cover bond debt service, Rynel shall not be obligated to pay the difference.

TABLE 1
TOWN OF WISCASSET PROJECTED TIF PROJECT COSTS

Project	Cost Estimate	Statutory Cite
<u>Economic Development</u> : Efforts to diversify the local economy – funding economic development professionals (including both Town staff and outside consultants), business plan development, business assistance marketing program, Town marketing expenditures including but not limited to improvements to the Town website.	Approximately \$10,000 per year	30-A M.R.S.A. § 5225(1)(C)(1) 30-A M.R.S.A. § 5225(1)(A)(1)(4) and (5)
<u>Bond Debt Service and Capital Costs</u> : Business park infrastructure and services, including water, sewer, 3-phase power and roads.	\$1,349,289.20 total principal and interest costs	30-A M.R.S.A. § 5225(1)(A)(2)

Subsequent to the Town Meeting approving vote, the adoption of this Amended and Restated Development Program will be effective upon approval by the Maine Department of Economic and Community Development (“DECD”).

E. Operational Components

1. Public Facilities, Improvements or Programs Financed Through Development Program

As set forth in the Original Development Program, the Town approved an authorization for a bond for phase 1 infrastructure improvements to include road, water and sewer line extensions, and 3-phase power. Forty percent (40%) of the TIF revenues from the District are used to pay the bond debt service. Town has completed the following infrastructure improvements in the area of the District financed through the bond: road improvements, water line extensions, sewer line extensions and 3-phase power. In addition, twenty-five percent (25%) of the TIF revenue from the District goes to the Town’s Economic Development Fund for the programs described in Table 1 above.

Beginning on the date of this Amendment the Town’s share of all TIF revenues will no longer be divided between debt service and an economic development fund at a specific percentage, but shall be used to fund the items specified in Table 1 as determined annually by the Town.

2. Commercial Improvements Financed Through Development Program

TIF revenues under the Original Development Program were used by Rynel to develop a 40,000 square-foot facility.

The New TIF Revenues under the Amended Development Program will in part help to finance a 32,000 square-foot expansion of the existing facility.

3. Relocation of Displaced Persons

Not applicable.

4. Transportation Improvements

The Town has funded road improvements through a bond issue that is paid with TIF revenue.

5. Environmental Controls

The improvements made under the Amended Development Program will meet or exceed all federal and state environmental regulations and will comply with all applicable land use requirements.

6. Plan of Operation

The Rynel project within the District will at all times be owned or leased and operated by Rynel, its successors or assigns who will be responsible for payment of all maintenance expenses, insurance and taxes on said improvements.

During the term of the District, the Town Manager, or her designee, will be responsible for the administration of the District. Rynel will be solely responsible for completion and operation of the Project.

7. Duration of the First Amendment

The Original Development Program limited the term of the District to twenty (20) years. This First Amendment extends the term of the District and Amended and Restated Development Program to a total of thirty (30) years.

III. Financial Plan

Both the Original and Amended Development Programs capture 100% of the new tax revenues generated by the increase in assessed value of the District and designate those new taxes as TIF revenues. Personal property will be captured as part of this TIF District. Personal Property TIF Revenues will be fully retained by the Town for use on Town project costs, unless and until such condition occurs as described in Section II(D) hereof. Rynel will apply their portion of TIF revenues (0% or 20% of revenues from captured assessed value as of April 1, 2013 and 0% or 50% of New TIF Revenues as described in Section II (D) hereof and in the Credit Enhancement

Agreement) to project relocation and expansion costs. The remaining portion of the TIF revenues will be deposited into the Town's TIF account.

The Town has created and established a segregated development program fund in the name of the Town designated as the "Ferry Crossing-Rynel Municipal Development and Tax Increment Financing District Program Fund" (the "Program Fund"). The Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Program Fund consists of a Project Cost Account, which includes two sub-accounts designated as the "Company Project Cost Subaccount" and "Town Project Cost Subaccount" pledged to, and charged with, payment of eligible project costs. The Program Fund also consists of Development Sinking Fund Account pledged to the payment of debt service on bonds issued to pay for approved project costs.

Upon each payment of property taxes by Rynel during the remaining term of the District, the Town will deposit all of the TIF Revenues from the District into the Program Fund. More specifically, all TIF revenues allocated to the Company shall be deposited into the Company Project Cost Subaccount, which will fund the payments required under the Credit Enhancement Agreement between the Town and the Company. The remaining TIF Revenues will be deposited into the Town Project Cost Subaccount and or the Development Sinking Fund Account to fund the cost of Town projects and bond debt repayment.

A. Costs and Sources of Revenues

Rynel will pay for and/or finance all private improvements located in the District through private sources.

B. Public Indebtedness

Pursuant to the Original Development Program and the Amended and Restated Development Program, the Town is continuing to use TIF Revenues to repay bonds to finance the infrastructure upgrades in the District.

C. Description of Agreements Related to Development Program

The Town and Rynel will enter into a credit enhancement agreement that will govern the specific terms of the allocation of TIF revenues.

IV. TIF Projections and Tax Shifts

In accordance with 30-A M.R.S.A. § 5224(4), the tables set forth in Exhibit A show for each of the remaining years of the term of the Original and Amended Districts: (1) estimates of the increased assessed values of the District; (2) the portion of increased assessed values to be applied to the Amended and Restated Development Program as captured assessed values; (3) the resulting tax increments (i.e., the TIF Revenues); and (4) the estimated tax shifts that are expected to result from the District.

V. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit F, is a copy of the Notice of Public Hearing published in a newspaper of general circulation in the Town at least ten (10) days prior to the public hearing for the District and Original Development Program. The public hearing was held on December 1, 2004, in accordance with the requirements of 30-A M.R.S.A. § 5226(1).

Attached as Exhibit F-2, is a copy of the Notice of Public Hearing published in a newspaper of general circulation in the Town at least ten (10) days prior to the public hearing for this Amended and Restated Development Program. The Public Hearing was held on January 14, 2014, in accordance with the requirements of 30-A M.R.S.A. § 5226(1).

B. Special Town Meeting Warrant Article

Attached as Exhibit G is a copy of the Special Town Meeting Warrant Article relating to a special town meeting duly called and held on December 1, 2004, approving the District and Original Development Program.

Attached as Exhibit G-2 is a copy of the Special Town Meeting Warrant Article relating to a special town meeting duly called and held on January 14, 2014 approving the Amended and Restated Development Program.

C. Minutes of Public Hearing

Attached as Exhibit H, is a copy of the minutes of the public hearing held on December 1, 2004, at which time the District and Original Development Program was discussed by the public.

Attached as Exhibit H-2, is a certified copy of the minutes of the public hearing held on January 14, 2014 at which time this Amended and Restated Development Program was discussed by the Public.

D. Authorizing Votes

Attached as Exhibit I is a copy of the Town of Wiscasset Special Town Meeting Warrant, which was approved by the Wiscasset voters at a special town meeting duly called and held on December 1, 2004, adopting the District and Original Development Program, and voting results related thereto.

Attaches as Exhibit I-2, is an attested copy of the Town of Wiscasset Special Town Meeting Warrant, which was approved by the Wiscasset voters at a special town meeting duly called and held on January 14, 2014, adopting this Amended and Restated Development Program and voting results related thereto.



JOHN ELIAS BALDACCI
GOVERNOR

STATE OF MAINE
DEPARTMENT OF
ECONOMIC AND COMMUNITY DEVELOPMENT
59 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0059



JACK CASHMAN
COMMISSIONER

TIF #1 / APR 04 2005

March 29, 2005

Andrew Gilmore
Town Manager
Town of Wiscasset
51 Bath Road
Wiscasset, ME 04578

Dear Mr. Gilmore:

The Maine Department of Economic and Community Development ("the department") has reviewed and approved the Town of Wiscasset's designation of the **Ferry Crossing - Rynel Municipal Development Tax Increment Financing (TIF) District** ("the district"), effective today.

Approval is subject to the following provisions: 1) all infrastructure improvements included within the Development Program and financed through municipal bonded indebtedness must be completed within five years of the date of this approval letter, and 2) should Rynel Corporation or any business in this district receive TIF payments that exceed \$10,000 in a calendar year, they must submit an annual written report no later than August 1st of the following year, in accordance with 5 MRSA §13070-J(3).

The Town of Wiscasset is authorized to capture 100% of the increased assessed value of real estate and personal property as set forth in the financial plan section of the complete application received by the department on March 11, 2005. The tax increment arising from this captured value is to be used expressly for the development costs described in the Development Program, including a credit enhancement agreement (CEA) to help Rynel Corporation defray the cost of its relocation and expansion; bond debt service on infrastructure improvements either in, or related to, the district - note well that any improvements made outside of the district and funded with TIF revenues must meet statutory guidelines governing "costs outside but related to" the TIF district [see 30-A MRSA §5225(1)(B)]; and eligible project costs such as economic



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Andrew Gilmore
March 29, 2005

Page 2

development services, consulting and business attraction that assist the town with diversifying its economy.

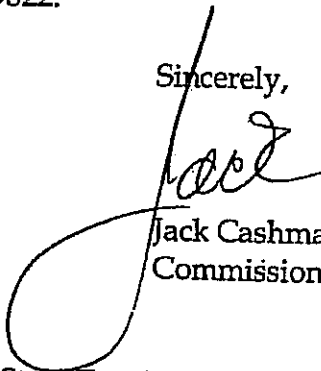
Any changes to the approved Development Program require an amendment that is adopted in the same manner as the initial designation, and approved by the department.

Please note that all tax increment revenues derived from the district are to be deposited into either a Project Cost Account (for CEA or other TIF-approved costs) or Sinking Fund Account (for approved municipal debt service) and available for the Development Program as authorized by the department. If any tax increment revenues from the district are instead deposited into the Town's general fund for non-TIF purposes, the incremental property values generating "unsheltered" revenues must be included with the Town's equalized assessed value and reported as such, since the value cannot be captured.

The district designation remains in effect for twenty (20) years or until the authorized project costs are expended. If for any reason the Town decides to forfeit this designation, it must promptly notify the department.

If you have questions regarding this approval, or the applicability of the economic development incentive reporting requirements, please do not hesitate to contact Jim Nimon at 624-9822.

Sincerely,



Jack Cashman
Commissioner

cc: Jerome Gerard, Acting State Tax Assessor
Larry Record, Director of Property Tax
Paul Frinsko, Bernstein Shur ✓
Andrew Nelson, CBRE/The Boulos Company

Exhibit A: Ferry Crossing - Rynel TIF District - First Amendment
Projected Captured Assessed Value and TIF Revenue

TIF Year	Teax Year as of 1-Apr	Original Assessed Value (OAV)	4/1/2013 Captured Assessed Value (CAV)	Projected New CAV after 4/1/2013	Projected Total Increased Assessed Value (100% Captured as CAV)	Projected Mil Rate	Total TIF Revenue	TIF Revenue from 4/1/2013 CAV	<i>see notes</i> 35% to 20% Company TIF Revenue	<i>see notes</i> 65% to 80% Town TIF Revenue	TIF Revenue from New CAV after 4/1/2013	50% Company TIF Revenue	50% Town TIF Revenue	Town General Fund Revenue (OAV)
1	2005													
2	2006													
3	2007													
4	2008													
5	2009													
6	2010													
7	2011													
8	2012													
9	2013													
10	2014	\$40,519	\$2,390,081	\$0	\$2,390,081	16.20	\$38,719	\$38,719	\$13,552	\$25,168	\$0	\$0	\$0	\$656
11	2015	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
12	2016	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
13	2017	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
14	2018	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
15	2019	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
16	2020	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
17	2021	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
18	2022	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
19	2023	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
20	2024	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$13,552	\$25,168	\$56,700	\$28,350	\$28,350	\$656
21	2025	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
22	2026	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
23	2027	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
24	2028	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
25	2029	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
26	2030	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
27	2031	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
28	2032	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
29	2033	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
30	2034	\$40,519	\$2,390,081	\$3,500,000	\$5,890,081	16.20	\$95,419	\$38,719	\$7,744	\$30,975	\$56,700	\$28,350	\$28,350	\$656
Totals							\$ 1,947,106	\$ 813,106	\$ 226,508	\$ 586,598	\$ 1,134,000	\$ 567,000	\$ 567,000	\$ 13,785
Averages							\$ 92,719	\$ 38,719	\$ 10,786	\$ 27,933	\$ 54,000	\$ 27,000	\$ 27,000	\$ 656

Notes:

- These projections assume an extension of the 20-year TIF District term to 30 years total at a 100% capture rate. The company will receive a 35% reimbursement on the captured assessed value as of April 1, 2013 (\$2,390,081) through the existing 20-year TIF District term and will continue receiving a 20% reimbursement on the captured assessed value as of April 1, 2013 for the final 10 years of the TIF District term, subject to requirements contained in the Credit Enhancement Agreement Section 2.3.
- With respect to TIF revenues relating to captured assessed value over and above the captured assessed value as of April 1, 2013 (\$2,390,081), the company will receive a 50% reimbursement annually, subject to requirements contained in the Credit Enhancement Agreement Section 2.3.
- The projections assume the mil rate reported on the 2013 Municipal Tax Rate Calculation Form of 16.20 remains flat over time.

Exhibit A: Ferry Crossing - Rynel TIF District - First Amendment
Tax Shift Benefit Projections

TIF Year	Tax Year April 1	Municipal Revenue		County Taxes Tax Shift	Total Tax Shift Benefit
		State Education Subsidy Tax Shift	Sharing Subsidy Tax Shift		
10	2014	-	-	-	\$0
11	2015	-	-	-	\$0
12	2016	-	\$1,602	\$2,583	\$4,185
13	2017	\$18,643	\$3,916	\$6,362	\$28,921
14	2018	\$45,943	\$3,916	\$6,362	\$56,221
15	2019	\$45,943	\$3,916	\$6,362	\$56,221
16	2020	\$45,943	\$3,916	\$6,362	\$56,221
17	2021	\$45,943	\$3,916	\$6,362	\$56,221
18	2022	\$45,943	\$3,916	\$6,362	\$56,221
19	2023	\$45,943	\$3,916	\$6,362	\$56,221
20	2024	\$45,943	\$3,916	\$6,362	\$56,221
21	2025	\$45,943	\$3,916	\$6,362	\$56,221
22	2026	\$45,943	\$3,916	\$6,362	\$56,221
23	2027	\$45,943	\$3,916	\$6,362	\$56,221
24	2028	\$45,943	\$3,916	\$6,362	\$56,221
25	2029	\$45,943	\$3,916	\$6,362	\$56,221
26	2030	\$45,943	\$3,916	\$6,362	\$56,221
27	2031	\$45,943	\$3,916	\$6,362	\$56,221
28	2032	\$45,943	\$3,916	\$6,362	\$56,221
29	2033	\$45,943	\$3,916	\$6,362	\$56,221
30	2034	\$45,943	\$3,916	\$6,362	\$56,221
	2035	\$45,943	\$3,916	\$6,362	\$56,221
	2036	\$45,943	\$3,916	\$6,362	\$56,221
	2037	\$45,943	-	-	\$45,943
Totals:		\$937,495	\$79,926	\$129,817	\$1,147,237

Assumptions:

1. Assumed that there will be \$5,890,081 of captured assessed value in the TIF District in each year from Tax Year 2015 through Tax Year 2034 (assumed \$2,390,081 of captured assessed value in Tax Year 2014). Tax Shift benefits have only been calculated for time period following the First Amendment of the District.
2. Assumed that 100% of the increased assessed value in the TIF District is captured in each year.
3. Assumed mil rate will remain at 16.20 for the twenty-year term of the TIF District.
4. Tax shelter impacts are delayed by a three years for the education subsidy and two years for the other categories, because the formulas calculating these figures use older State Valuations. Thus, there is no tax shift impact in the first years after increased assessed value is first assessed.
5. If the new value from new development were to arrive in the Town without the shelter effect of a tax increment financing district, the increased valuation would lead to eventual decreases in State Aid for Education, Revenue Sharing Subsidy and eventual increases in County Taxes owed.
6. Data sources include the State Treasurer's Office Revenue Forecasting Committee Revenue Sharing subsidy projections dated 06/27/13, the Maine Department of Education 2012-2013 ED 279 form for RSU 12 run on 06/12/13 and the Lincoln County 2013 Tax Commitment as of 05/07/13.

TIF 1 Expenditures - Addendum to Exhibit A

	Captured Assessed Value	Captured Taxes	Credit Enhancement	Economic Development	Bond Payment
FY 09	2,739,781	\$ 37,261.02	\$13,041.36	\$9,315.26	\$14,904.41
FY 10	2,727,441	\$ 39,411.52	\$13,794.03	\$9,852.88	\$15,764.61
FY 11	2,345,401	\$ 34,711.93	\$12,149.18	\$8,677.98	\$13,884.77
FY 12	3,372,301	\$ 51,090.36	\$17,881.63	\$12,772.59	\$20,436.14
FY 13	2,427,801	\$ 38,602.04	\$13,510.71	\$9,650.51	\$15,440.81
FY 14	2,390,081	\$ 38,719.31	\$13,551.76	\$9,679.83	\$15,487.72

Exhibit B-1

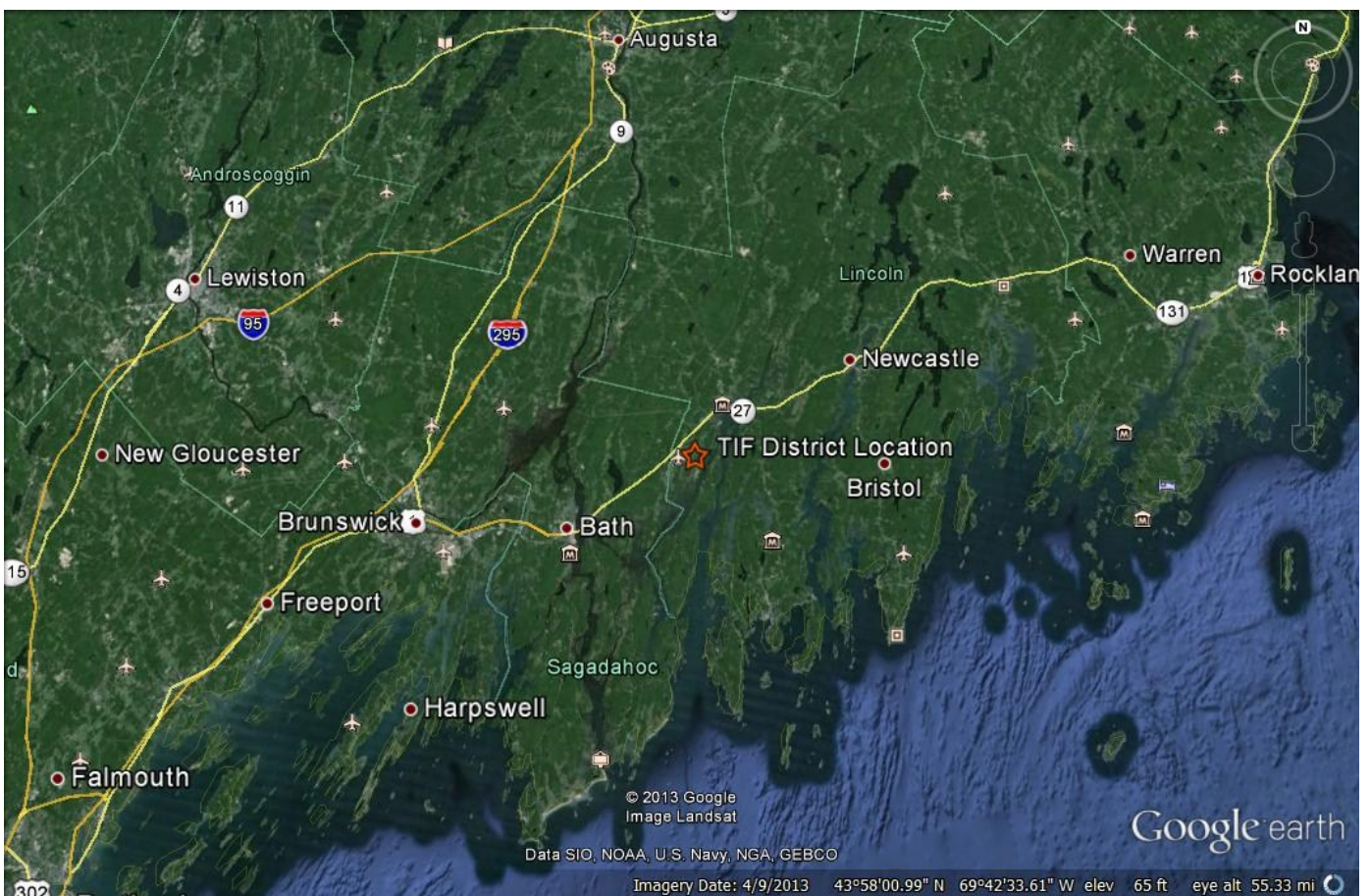
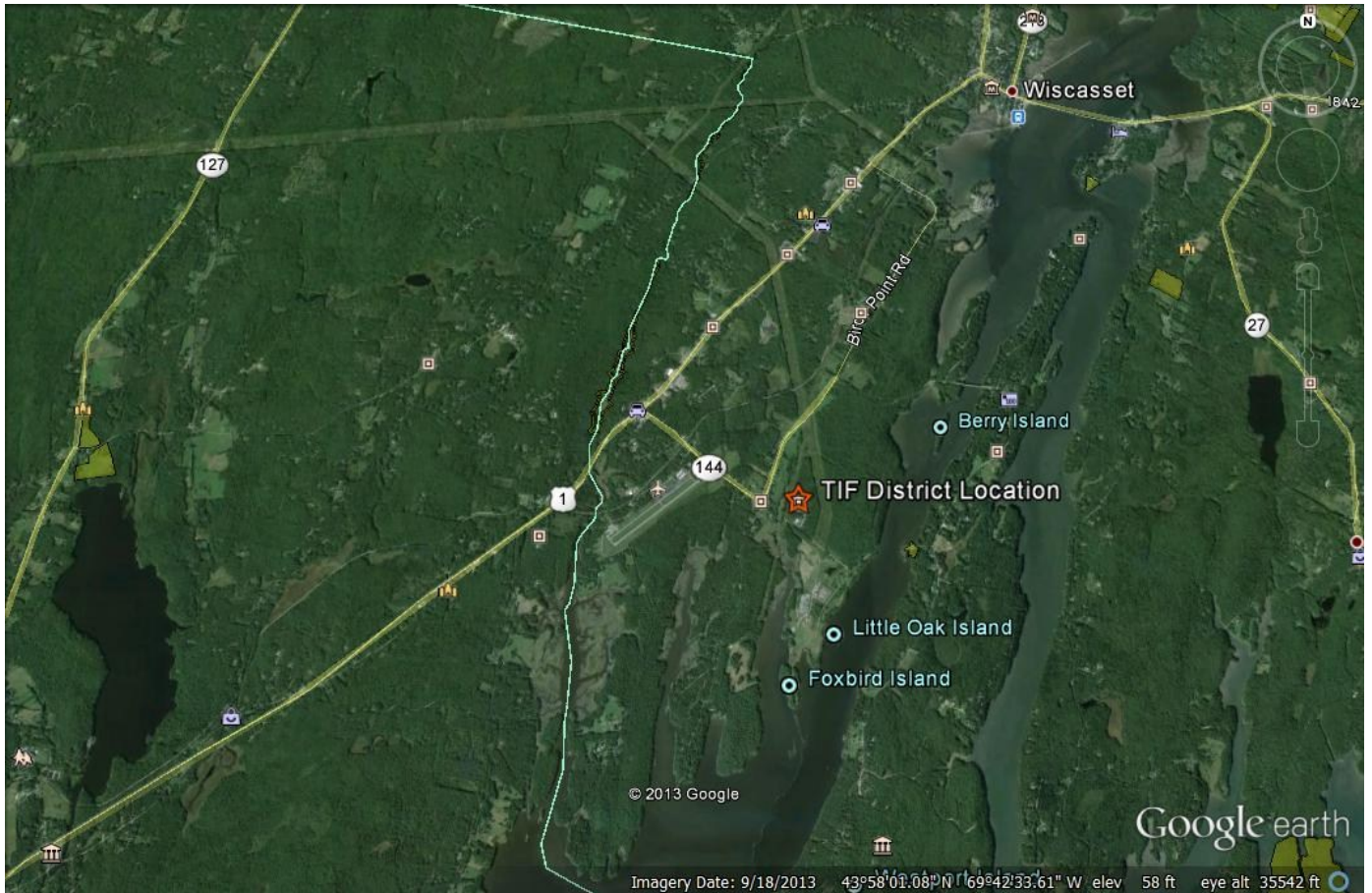


EXHIBIT B-2

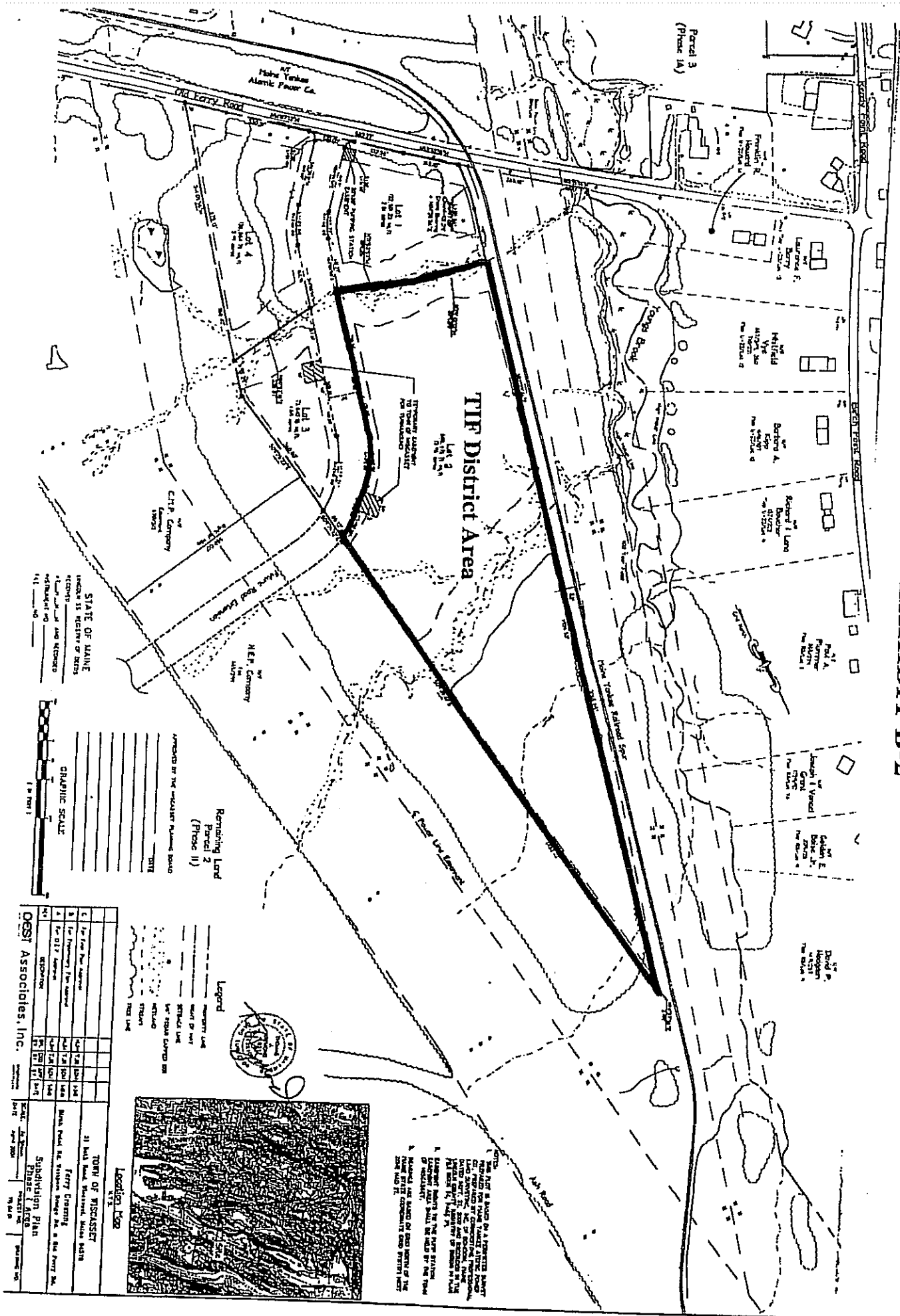


EXHIBIT E

THE TOWN OF WISCASSET

TAX INCREMENT FINANCING DEVELOPMENT PROGRAM

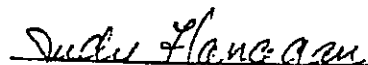
ASSESSORS' CERTIFICATE

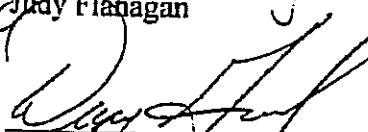
The undersigned Tax Assessors for the Town of Wiscasset, Maine, do hereby certify pursuant to the provisions of 30-A M.R.S.A. §5227 that the assessed value of the Ferry Crossing – Rynel Municipal Tax Increment Financing Development District, as described in the Development Program to which this Certificate is included, was \$40,519 as of March 31, 2004.


IN WITNESS WHEREOF, This Certificate has been executed as of this 1st day of March, 2005.


BOARD OF ASSESSORS


Michael S. Blagdon


Judy Flanagan


Duane Goud


Kerry R. Leeman


Benjamin L. Rines, Jr.

TOWN OF WISCASSET
FERRY CROSSING-RYNEL TIF DISTRICT

ASSESSORS' CERTIFICATE WITH RESPECT TO INCREASED ASSESSED VALUE
IN THE DISTRICT AS OF APRIL 1, 2013

Due to the arrangement between the Town of Wiscasset and Rynel, Inc. whereby a different reimbursement percentage applies for captured assessed value as of April 1, 2013 and captured assessed value surpassing the captured assessed value as of April 1, 2013, this Assessors' Certificate is simply meant to memorialize the assessed value and the increased assessed value (which is also the captured assessed value) of the Ferry Crossing-Rynel Municipal Development and Tax Increment Financing District as of April 1, 2013.

Assessed Value of the District as of April 1, 2013	\$2,430,600
Original Assessed Value of the District	\$40,519
Increased Assessed Value as of April 1, 2013 (same as the Captured Assessed Value as of April 1, 2013 because 100% of Increased Assessed Value is captured)	\$2,390,081

IN WITNESS WHEREOF, this Certificate has been executed as of this ____ day of January, 2014.

BOARD OF ASSESSORS

EXHIBIT F

TOWN OF WISCASSET, MAINE NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Selectmen of the Town of Wiscasset, Maine will hold a public hearing on December 1, 2004 at 6:00 P.M. at the Wiscasset Middle School Cafeteria in Wiscasset, Maine, for the purpose of receiving public comment on the proposed designation of two Municipal Tax Increment Financing Development Districts and the adoption of a development program for each of the Districts, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed districts are:

1. The Ferry Crossing-Rynel Municipal Tax Increment Financing Development District which consists of 13.96 acres of property at Lot 2 of the Ferry Crossing Subdivision in Wiscasset and is identified as a portion of Tax Map R-8, Lot 6 on the Assessors Maps of the Town of Wiscasset; and,
2. The Ferry Crossing Municipal Tax Increment Financing Development District which consists of 7.69 acres of property at Lots 1, 3 and 4 of the Ferry Crossing Subdivision in Wiscasset and is identified as a portion of Tax Map R-8, Lot 6 on the Assessors Maps of the Town of Wiscasset.

A copy of the proposed development program for each of the districts will be on file with the Wiscasset Town Clerk by 8:00 AM, November 24, 2004 and may be reviewed at the Wiscasset Town Office during normal business hours.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time.

Board of Selectmen
Town of Wiscasset

SPECIAL TOWN MEETING
WISCASSET TOWN WARRANT
STATE OF MAINE

EXHIBIT G

To Michael Emmons, Police Chief, of the Town of Wiscasset in the County of Lincoln.

GREETINGS:

In the name of the State of Maine, you are hereby required to notify and warn the Inhabitants of the Town of Wiscasset, in said County, qualified by law, to vote in town affairs to meet in the Wiscasset Middle School Cafeteria on Wednesday evening, December 1, 2004, at 7:00 p.m. then and there to act on the following articles:

NAMELY:

Article 1. To elect a moderator to preside at said meeting.

Article 2. Shall the voters of the Town of Wiscasset, Maine designate The Ferry Crossing-Rynel Municipal Tax Increment Financing Development District and adopt the Development Program for the District as presented to this Town Meeting, such designation and adoption to be pursuant to the following findings, terms and provisions?

WHEREAS, the Town of Wiscasset, Maine (the "Town") is authorized pursuant to the applicable provisions of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the Town as The Ferry Crossing-Rynel Municipal Tax Increment Financing Development District (the "District") and to adopt a Development Program for the District (the "Development Program"); and

WHEREAS, there is a need for industrial and commercial development in the Town; and

WHEREAS, there is a need to provide continuing employment opportunities for the citizens of the Town and the surrounding region; to improve and broaden the tax base of the Town; and to improve the general economy of the Town, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to provide continued employment for the citizens of the Town and the surrounding region; improve and broaden the tax base in the Town; and improve the economy of the Town and the State of Maine; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial facilities through the establishment of the District in accordance with the provisions of the applicable provisions of Title 30-A; and

WHEREAS, the Town has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. §5226, upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town; and

WHEREAS, the Town desires to designate The Ferry Crossing-Rynel Municipal Tax Increment Financing Development District, and to adopt a Development Program for the District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development (the "Department"), approving the designation of the District and the adoption of the Development Program for the District;

NOW, THEREFORE, BE IT HEREBY VOTED BY THE TOWN:

Section 1. The Town hereby finds and determines that:

- a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is in need of rehabilitation, redevelopment or conservation work and is suitable for commercial sites as defined in 30-A M.R.S.A. §5223; and
- b. The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all development Districts within the Town (including the District) does not exceed five percent (5%) of the total acreage of the Town; and
- c. The original assessed value of the District, plus the original assessed value of all existing tax increment financing districts within the Town, does not exceed five percent (5%) of the total value of taxable property within the Town as of April 1, 2004; and
- d. The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the Town and its residents, including retention of employment, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Town hereby designates The Ferry Crossing-Rynel Municipal Tax Increment Financing Development District designated and described as more particularly set forth in the Development Program presented to this Town Meeting in the form attached hereto and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. §5227, the percentage of captured assessed value to be retained in accordance with the Development Program is to be established as set forth in the Development Program.

Section 4. The Town Manager is authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226.

Section 5. The Board of Selectmen is authorized and empowered, at its discretion, from time to time, to make such revisions to the Development Program for the District as the Board of Selectmen deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Department of Economic and Community Development, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

Section 6. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department of Economic and Community Development, without requirements of further action by the Town, the Board of Selectmen, or any other party.

Section 7. The Town Manager is authorized to enter into a Credit Enhancement Agreement as contemplated by the Development Program, in the name of and on behalf of the Town; such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the said Board of Selectmen may approve.

Article 3. Shall the voters of the Town of Wiscasset, Maine designate The Ferry Crossing Municipal Tax Increment Financing Development District and adopt the Development Program for the District as presented to this Town Meeting, such designation and adoption to be pursuant to the following findings, terms, and provisions?

WHEREAS, the Town of Wiscasset, Maine (the "Town") is authorized pursuant to the applicable provisions of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the Town as The Ferry Crossing Municipal Tax Increment Financing Development District (the "District") and to adopt a Development Program for the District (the "Development Program"); and

WHEREAS, there is a need for industrial and commercial development in the Town; and

WHEREAS, there is a need to provide continuing employment opportunities for the citizens of the Town and the surrounding region; to improve and broaden the tax base of the Town; and to improve the general economy of the Town, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to provide continued employment for the citizens of the Town and the surrounding region; improve and broaden the tax base in the Town; and improve the economy of the Town and the State of Maine; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial facilities through the establishment of the District in accordance with the provisions of the applicable provisions of Title 30-A; and

WHEREAS, the Town has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. §5226, upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town; and

WHEREAS, the Town desires to designate The Ferry Crossing Municipal Tax Increment Financing Development District, and to adopt a Development Program for the District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development (the "Department"), approving the designation of the District and the adoption of the Development Program for the District;

NOW, THEREFORE, BE IT HEREBY VOTED BY THE TOWN:

Section 1. The Town hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is in need of rehabilitation, redevelopment or conservation work and is suitable for commercial sites as defined in 30-A M.R.S.A. §5223; and

b. The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all development Districts within the Town (including the District) does not exceed five percent (5%) of the total acreage of the Town; and

c. The original assessed value of the District, plus the original assessed value of all existing tax increment financing districts within the Town, does not exceed five percent (5%) of the total value of taxable property within the Town as of April 1, 2004; and

d. The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the Town and its residents, including retention of employment, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Town hereby designates The Ferry Crossing Municipal Tax Increment Financing Development District designated and described as more particularly set forth in the Development Program presented to this Town Meeting in the form attached hereto and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. §5227, the percentage of captured assessed value to be retained in accordance with the Development Program is to be established as set forth in the Development Program.

Section 4. The Town Manager is authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226.

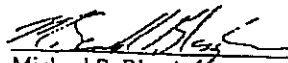
Section 5. The Board of Selectmen is authorized and empowered, at its discretion, from time to time, to make such revisions to the Development Program for the District as the Board of Selectmen deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Department of Economic and Community Development, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

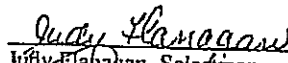
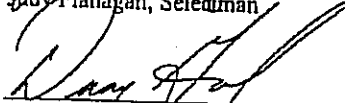
Section 6. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department of Economic and Community Development, without requirements of further action by the Town, the Board of Selectmen, or any other party.


And you are directed to serve this warrant by posting a copy thereof, attested by you, in a public and conspicuous place in said town, seven days, at least, before the time of holding said meeting.

Hereof, fail not, and due return make of this warrant to the Selectmen or Town Clerk, with your doings thereon, on or before the time of holding said meeting.

Given under our hands this 23rd day of November 2004.


Michael S. Blagdon
Chairman, Board of Selectman


Judy Flahagan, Selectman

Duane Goud, Selectman


Benjamin L. Rines, Jr., Selectman

Attest: 

Time of Posting: 0810

Posted: U. S. Post Office
Shaw's Supermarket

EXHIBIT H

TOWN OF WISCASSET
PUBLIC HEARING ON
RYNEL-FERRY CROSSING TAX INCREMENT FINANCING DISTRICT
AND
FERRY CROSSING TAX INCREMENT FINANCING DISTRICT
December 1, 2004, Wiscasset Middle School

The public hearing on the two proposed TIF districts was called to order by Town Manager Andrew Gilmore at 6:05 p.m. He welcomed those present to the third public meeting on the TIF proposals. He introduced Jim Detert, President of Rynel, who gave a brief presentation on his company.

Mr. Detert introduced Todd Bachelder, CFO; Jon Stormont, Vice President, Sales and Marketing; Herb Winicov, a former Maine Yankee employee and Scott Houldin, NATIONAL RE/sources, with whom a lease agreement had been signed that afternoon.

Rynel was founded in 1973 in East Boothbay to manufacture production equipment for the types of product currently made. In 1988 the company moved to Boothbay and changed from manufacturing equipment to manufacturing the product. Growth in the 90's continued until 2004 when the company found it necessary to expand.

Rynel manufactures foam for medical, cosmetic, consumer and agriculture uses. Being hydrophilic, the foam absorbs twenty times its weight and is used in medical dressings. The product is sold to large companies who sell it under their names, not Rynel's. It is also used for cosmetic applicators, bath sponges, etc. One reason for the expansion is to enable the company to produce more value-added applications such as lamination, slitting, die-cutting, and adding color or fragrance. Its agricultural application is as a stabilizing media for such products as peat moss, bark, etc. This allows oxygen to reach the roots without compaction. The horticultural division is located in Lisbon Falls to keep it separate from the medical and cosmetic products being manufactured in Wiscasset.

Fifty per cent of Rynel's business is international; it is not dependent upon the U. S. economy. It works in partnership with its customers to develop specialty and innovative products. It will be renting the building from NATIONAL RE/sources and using its capital for equipment and a second production line rather than in the investment of a building.

Mr. Detert reviewed the various aspects of its regulatory compliance. There is no hazardous waste, no product is flammable and its emergency response plans are on file with the Lincoln County Emergency Management Agency.

In looking for a new location, Rynel was unable to find an existing building which would suit its needs, i.e., a facility of 40,000 sq. ft. with the possibility of expanding to 100,000 sq. ft.; flexible office space; 18-foot ceilings; three-phase power; public sewer and water; broadband internet; ready for production within a year; clean room capable and a medical quality lab. The Town's commitment to providing sewer and water and NATIONAL RE/sources' provision of three-phase power were important to Rynel in its decision to come to Wiscasset.

Todd Bachelder showed renderings of the exterior of the plant with landscaping and the layout of the interior of the building.

Rynel's annual sales income has increased 21% from 2002 to 2004. It plans to negotiate multi-year sales agreements with its customers. It has a history of profitability.

There are currently some job openings at Rynel, mostly in the \$10 to \$15 per hour range for production jobs and it anticipates hiring more employees in the future. Rynel offers a complete benefit package.

In the last few years Rynel has grown and looks forward to additional opportunities in the future such as technology improvements and additional investment in research and development, long-term supply agreements with its customers, diversifying the customer base, adding value-added lines, and additional marketing/sales emphasis. Mr. Bachelder said Rynel is optimistic about its partnership with Wiscasset and the TIF will make a big difference for Rynel. It plans to make a \$4.5 million investment in the plant and equipment and the TIF will enable the company to continue to grow and prosper.

Don Alexander, Economic Development Director, explained that Tax Increment Financing Districts are an economic development incentive tool to help cities and towns attract business. TIFs were developed by the State in the 1970s. There are 150 TIFs in Maine in 70 towns. TIFs address a geographic site for new capital investment. The taxes on the increase in assessed value of the new project are sheltered from the State so that the new assessed value is not used to raise County Taxes, nor is it used to reduce State revenue sharing or education funding. These taxes which are sheltered or captured can be used to rebate some of the developer's costs and by the Town for infrastructure, economic development, etc. In Rynel's case, the current valuation of the land is \$40,519 and taxes are \$730 per year. The increase in assessed value to \$4.5 million will result in \$67,000 per year in new tax revenues. If these funds were not sheltered, \$55,000 would be taken by the State and County. Under the proposed TIF district, the State and County will get no funds and the new tax revenues of \$67,000 per year will be split 35%, or \$23,000, to Rynel to help with relocation and expansion costs and 65%, or \$44,000, to Wiscasset.

Andy Nelson of the Boulos Company, the Town's consultant on the TIF districts, said the districts are a State program and require State approval. The State has been kept up to date on the proposed Wiscasset TIF districts.

Using the example of Ames Tru-Value's \$2,000,000 expansion without a TIF, Mr. Nelson said that \$36,000 in new taxes would be generated. However, Wiscasset will lose \$29,000 of this amount in reduced revenue sharing and education funding and increased County taxes. With the Rynel project, the taxes on \$4,500,000 of new assessed value will be sheltered for 20 years. Without the TIF district, the Town would lose \$55,000 of the \$67,000 in new taxes. If the Rynel building is expanded in the future, the increased taxes on that will also be sheltered.

Under the State statute, the sheltered new taxes can be used for infrastructure or for the Economic Development department which reduces the amount taken from the Town's general fund for that department. Over 20 years the \$1,347,850 in new taxes from the Rynel project will go to the Town (65%) and to Rynel (35%). The Town's portion, \$847,103, will be further divided -- 40% to reduce the debt service on the infrastructure bond and 25% to fund the economic development department. The 40% will initially be insufficient to pay the debt service but the Town has negotiated with Point East an

agreement that in any year the revenues allocated to cover the debt are insufficient, Point East will make up the difference.

In response to a question from John Reinhart, Mr. Nelson said that if the project is expanded, the TIF does not have to be amended, the percentages stay the same.

Asked about the current budget of the Economic Development Department by Mrs. Phinney, Andrew Gilmore said the current budget is about \$100,000. The Selectmen and legislative body will determine what the budget is next year. There is no intent to increase the budget. The \$336,000 shown in the brochure for the Economic Development Department is the total over 20 years.

Bill Phinney said he thought the \$900,000 was negotiated with the sale of the property and asked if there was no obligation for NATIONAL RE/sources to pay for the infrastructure, and wasn't the infrastructure part of the real estate and a value to NATIONAL RE/sources to make a profit on.. Andrew Gilmore responded that last year the Town approved two bonds, \$1.75 million to buy the land and \$937,500 for the infrastructure improvements with the thought that the Town would be the owner and developer. Subsequently NATIONAL RE/sources bought the land. The infrastructure was not a negotiating tool, it was always intended to be Town infrastructure and that Tax Increment Financing would be used to cover the debt service.

Andrew Nelson said the three remaining lots in the subdivision where Rynel is located, are not developed and a second TIF district is proposed for Lots 1, 3, and 4. The numbers in the information sheet are arbitrary and needed to submit the application. The only difference between this TIF and the Rynel TIF is that only 50% of the new taxes will be captured and will be used for bond debt service. The other 50% will go to the Town's general fund. This gives an incentive to Point East to do another development on these lots because the increase in sheltered taxes will pay down the bond debt sooner and relieve Point East from making up the difference when TIF funds are not sufficient.

Mrs. Phinney asked why only 50% was being sheltered. Andrew Gilmore responded that none of the sheltered funds will be going to a developer because at this point there is no developer and no credit enhancement agreement. Should a new developer want a credit enhancement agreement, the TIF would have to be amended.

The public hearing was adjourned at 7:00 p.m.

A TRUE ATTESTED COPY:

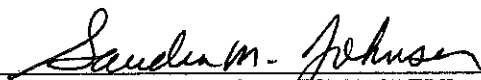

SANDRA M. JOHNSON, TOWN CLERK

Exhibit I

TOWN OF WISCASSET
SPECIAL TOWN MEETING
DECEMBER 1, 2004, 7:00 P.M.
MIDDLE SCHOOL CAFETERIA

The Special Town Meeting was called to order by Town Clerk Sandra Johnson at 7:00 p.m. She called for nominations for a moderator. Judy Flanagan nominated Susan Blagden. There were no other nominations and Susan Blagden was sworn in.

Al Cohen moved to allow non-residents Don Alexander, the Town's Economic Development Director; Andrew Nelson of the Boulos Co., the Town's TIF consultant; Jim Detert, Rynel; and Scott Houldin, NATIONAL RE/sources to speak at the meeting. The motion was duly seconded and passed by a two-thirds vote.

The moderator read the first paragraph of Article 2 relating to the Ferry Crossing-Rynel Municipal Tax Increment Financing Development District. Judy Flanagan moved to adopt Article 2. The motion was duly seconded.

A resident asked whether the TIF district was restricted to industrial and commercial uses and not retail. Andrew Gilmore said that retail was not excluded, but was not suitable for the site; moreover Rynel, a light manufacturing company, was the only tenant proposed for the site.

Prior Morrell asked how Rynel would get rid of its waste. Mr. Detert said that waste would be minimized and recycled when possible. All the rest would be landfilled or treated however the municipality treats its waste.

Paul Grover asked what was being done with the asbestos down there. Andrew Gilmore replied that he might be thinking of the Mason Station site rather than the Maine Yankee site.

John Reinhardt asked why the TIF was for 20 years and why it can't be looked at after ten years to see if it's working. Andrew Gilmore said that 20 years is standard and is the term of repayment needed for the infrastructure debt. The 20-year TIF also corresponds to the lease period of Rynel. A Town Meeting vote can amend to extend or shorten the term of the TIF. Often TIFs are extended to fund other infrastructure improvements.

Larry Lomison asked how long the extension periods were. Andrew Nelson said that 20 year TIFs are typical, although they can be for 30 years as in Edgecomb's recent TIF. They are usually extended from 15 to 25 or from 20 to 25.

Bill Phinney asked from account the Boulos fees were being paid. Andrew Gilmore said that the Boulos fees as well as the Bernstein Shur fees will be reimbursed by Point East which is the town's TIF policy -- the company profiting from the TIF has to reimburse the town.

Prior Morrell asked what the time period was for reimbursement. Andrew Gilmore said that the contractual agreement is that Point East has 45 days from receipt of the invoice to pay the fees.

Bill Phinney said that he had never been at a Town Meeting where the public hearing was held an hour before. He asked who made that decision and why. Andrew Gilmore said that the State requires a public hearing and this was the third public session that had been held, the previous ones being on November 16th and 17th. All three were noticed and advertised. Any of the three could have been designated as the required public hearing. Mr. Phinney commented there was an enormous amount of information to absorb in a short time and it wasn't as available as he would ask it to be.

Dan Thompson asked about the safeguards should Rynel go bankrupt. Andrew Gilmore said that the land and building will still exist and still have an increased valuation which will be taxed to the owner, Point East. The TIF district is assignable and a new tenant could have the same benefits for the remaining life of the TIF.

Bill Phinney asked why Ben Rines, Jr. had not signed the warrant. Ben Rines said he didn't approve of the format of holding the public hearing prior to the Town Meeting. He said he thought "we're being taken to the cleaners on this deal and I'm voting 'no.'"

Prior Morrell said that in Sections 1, 4, and 7 the Town Manager was authorized, empowered, etc. and he would like to see that changed to the Economic Director. The moderator said the document could not be amended at this Town Meeting.

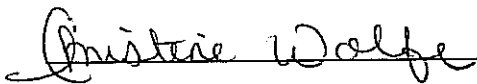
John Reinhardt asked why Selectman Ben Rines, Jr. was voting against the article. Ben Rines, Jr. said he opposed the articles at the Town Meeting last December, he can't see the benefit of it and it was a poor investment for \$900,000.

Al Cohen moved the question. It was seconded and the moderator read Article 2. Bill Phinney moved to have a written ballot. The motion was seconded. The motion to vote on Article 2 without further discussion was passed with a majority vote. The motion in favor of voting by secret ballot failed. Article 2 passed with a majority vote.

The moderator read the first paragraph of Article 3 relating to the Ferry Crossing Municipal Tax Increment Financing Development District. Judy Flanagan moved to adopt Article 3. The motion was duly seconded and passed.

A motion to adjourn was duly made, seconded, and passed at 7:35 p.m.

A true attest copy of the Town meeting minutes on December 1, 2004.

 Town Clerk

STATUTORY REQUIREMENTS & THRESHOLDS

First Amendment - Ferry Crossing-Rynel Municipal Tax Increment Financing Development District

A. ACRE LIMITATION

1. Total Acreage of Municipality	14,056
2. Total Acreage of Proposed Municipal TIF District	13.96
3. Total Downtown acres contained in the Proposed Municipal TIF District	0
4. Total Transit acres contained in the Proposed Municipal TIF District	0
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)	13.96
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1	.09%
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage.	21.65
8. Total acreage of an existing or Proposed Downtown TIF District in the municipality.	0
9. Total acreage of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.	0
10. Total acreage of all existing or Proposed Transit TIF Districts in the municipality.	0
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A8+A9+A10 from A7.	21.65
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1.	.15%
13. Total Acreage of all real property in the Proposed Municipal TIF District that is:	
(Note: a, b, or c must be at least 25%)	
	Acres
a. Blighted (Divide acres by	
b. In need of rehabilitation/conservation (Divide acres by	
c. Suitable for industrial/commercial site (Divide acres by	13.96
TOTAL	100%

B. VALUATION LIMITATION

1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1st (April 1, 2013)</i>	\$445,591,700
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31st of tax year preceding date of municipal designation</i>	\$40,519
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. <i>Add b2 to sum of all existing TIF district OAVs</i>	\$62,839
4. OAV of an existing or proposed Downtown TIF District in the municipality.	0
5. OAV of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.	0
6. OAV of all existing or Proposed Transit TIF Districts in the municipality.	0
7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap <i>Subtract B4+B5+B6 from B3</i>	\$62,839
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) <i>Divide B7 by B1</i>	.014%