

WISCASSET BOARD OF SELECTMEN
BOARD OF ASSESSORS AND OVERSEERS OF THE POOR
AUGUST 16, 2011

Preliminary Minutes

(tape recorded meeting)

Present: Chair Judy Colby, Bill Curtis, Pam Dunning, Vice Chair David Nichols, Ed Polewarczyk and Town Manager Laurie Smith

1. Call to Order

Judy Colby called the meeting to order at 7 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Approval of Treasurer's Warrant: August 9, 2011 and August 16, 2011

David Nichols moved to approve the Treasurer's Warrants of August 9 and August 16, 2011. Vote 4-0-1. Ed Polewarczyk abstained, explaining that he still had objections to paying the RSU bill.

4. Approval of Minutes: August 2, 2011

Ed Polewarczyk moved to approve the minutes as presented. Vote 5-0-0.

5. Special Presentations or Awards - None

6. Appointments - None

7. Public Comment

Ken Boudin, Chairman of the Airport Committee gave an update on the Texas Flying Legends air show the previous weekend that was attended by approximately 3000 people, including many World War II veterans and pilots. Erv Deck, Airport Manager, thanked the volunteers, Chamber of Commerce and Board of Selectmen for their help with the show.

David Nichols moved that a letter be written to the Flying Legends in appreciation of what they did down here. Vote 5-0-0.

Steve Mehrl asked if anything could be done to have the owner clean up the closed Tony's Pizza restaurant.

Bill Curtis asked that the town put repair of the Scout Hall fire escape on its agenda. Although a former offer to fix the stairs by the American Legion had been made, that was no longer the case and the Town Manager said the town would put it back on the list.

The chairman asked that item 10. A be taken out of order.

10 New Business

A.. Award Commercial Pier Construction Bids

The Town Manager, Road Commissioner, and Harbormaster had met with Barney Baker, engineer representing Wright Pierce, to insure the completeness of the pier construction bids and to determine if the bids could be reduced. The lowest bid was \$370,000 by Prock Marine and the budget is \$350,000. Baker recommended accepting the low bid for a precast concrete deck and southern yellow pine piles, removing "store and replace floats" (which the town will do),

eliminating the electrical and mechanical work (will be upgraded in the future), using the town Transfer Station (if approved by DEP) for the demolition debris, and removing a small section of the pier which has been used as the turnaround for the snow-dumping trucks. **David Nichols moved that the Board of Selectmen authorize the Town Manager to award the Town Pier Replacement bid to Prock Marine as the lowest qualified bidder, not to exceed \$350,000. Vote 5-0-0.**

9 Unfinished Business

A. Update from Road Commissioner Greg Griffin on White's Island maintenance

Griffin reported that the repairs on the bridge were almost complete and estimated another week's work would complete the job. Several board members had visited the bridges since the last meeting and reported on their poor condition; they questioned spending additional funds on repairs. There was a consensus that the work authorized at the previous meeting be completed and that further repairs be considered in the capital improvement plan. The bridges will be blocked to prevent access.

B. Discuss Cable Franchise Fees

Mary Ellen Crowley, Director of Lincoln County Television, spoke in response to Donald Jones' presentation at the previous meeting. She explained that the franchise fee paid by the cable operator to the town is compensation for the public property used by the operator. If the town does not charge the cable company a franchise fee, it would devalue the worth of the public land. She added that if Wiscasset removed the franchise fee, subscribers' bills would be reduced temporarily but they would eventually be paying the same amount, as the fees would be raised to cover the lack of franchise fees paid by consumers. Inasmuch as the \$45,000 paid by Time Warner to the town is in the budget for the current fiscal year, there was a consensus to wait until next spring to consider the matter or negotiate with Time Warner when the current contract expires in 2014.

10. New Business

B. Open bids for Community Center treadmills

The following bids were received:

		<u>With Trade-in</u>
Fitness Equipment Northeast	\$11,700.00	NA
Cybex	10,558.63	\$10,158.63

The equipment will be on a four-year lease at approximately \$2,900 per year. **Pam Dunning moved that the Board of Selectmen authorize the Community Center Director, Todd Souza, to award the bid to the lowest qualified bidder. Vote 5-0-0.**

C. Discussion regarding voters' position on RSU 12

Judy Colby explained that the earliest date towns can begin the process to withdraw from an RSU is January 1, 2012. In order to determine the will of the voters, she recommended a non-binding referendum on the November ballot. The deadline to put the referendum on the ballot is September 6. **She moved that Selectmen approve a non-binding warrant article to approve beginning the withdrawal process from the RSU on January 1st.** She explained that the selectmen cannot ask for a binding referendum until after the withdrawal process begins.

Chet Grover said the RSU is not going well. Polls, non-binding referenda and letters have been ignored by the RSU. He said Wiscasset has to get back local control and he encouraged the board to remove Wiscasset from the RSU.

Steve Mehrl asked the board to consider the cost to withdraw and whether the town would have access to RSU funds. Judy Colby said after a petition and referendum vote, a committee made up of a selectman, an RSU member, a citizen and the petitioner will negotiate with the RSU on the withdrawal. No other action will be taken until the results of the referendum are known. Wiscasset will have two years to join another RSU or an AOS, during which time there will be no costs or penalties. The town will have to hire a negotiator to negotiate with the RSU.

Chris Teale from Dresden was given permission to speak as a non-resident. His daughter is a student at Wiscasset High School and he echoed Chet Grover's frustration with the RSU.

Bill Curtis moved the question. Vote 4-0-1. Vote on the motion 5-0-0.

11. Town Manager's Report

A. Board of Appeals Request: The board received a copy of a letter from the chair of the Board of Appeals denying an administrative appeal of the Code Enforcement Officer's decision. Smith explained that under the ordinance, the appeals board does not have the authority to act on decisions by the CEO.

B. Tidal Energy Study data: The scientists from Woods Hole Oceanographic Institution will begin a second round of studies of the velocities of the currents north of the Westport Bridge to determine what the electricity generating potential may be.

C. Intermodal Plan with Railroad Station: Smith reported that she had requested support from the Department of Transportation for Wiscasset's application to the Tiger 3 program. The project involves rail, bus, ship and vehicular traffic. Phase 1 is reconstruction of the commercial pier, Phase 2 is relocation of a temporary rail passenger facility, Phase 3 would expand the passenger building, and Phase 4 would be for the installation of a riverfront boardwalk. Smith said Gateway 1 is willing to use its consultant funds to assist Wiscasset in applying for the grant. **Pam Dunning moved to continue forward on the intermodal plan for the railroad station. Vote 5-0-0.**

D. Route 1 Traffic Update: According to the DOT, traffic counts between 7/12 to 8/8 for 2009 were 921,000, for 2010 were 945,000 and this year were 909,000. The next meeting will be on September 12 at 8:30 a.m. to review all data. Bill Curtis encouraged the DOT to put a traffic counter on Old Bath Road. Also at that meeting a letter was received from the Department of Transportation informing Wiscasset that although the Wiscasset Route 1 Corridor Study has been terminated, the commissioner would like to form a new group to identify, evaluate and potentially implement promising non-bypass solutions. He asked Smith to provide a list of potential participants. The focus will be on Wiscasset and Edgcomb. Bill Curtis, Judy Colby and Don Jones volunteered.

E. Police Chief Position: Smith announced the hiring of Troy Cline as police chief. He will begin work on August 29. The personnel policy stipulates two weeks' vacation for employees who have worked fewer than five years; however, Smith would like authorization to offer Cline three weeks, with one week in the bank to start. **Pam Dunning moved to approve the amendment. Vote 5-0-0.**

F. Town Planner Position: No decision has been made; two candidates will be interviewed a second time.

G. Bids for Bobcat and Transfer Station Truck: The Bobcat bid was awarded to Jordan of Falmouth. The bid was \$67,000; \$65,000 was budgeted and part of the cost will be taken from

the operating budget. The Transfer Station truck bid was awarded to O'Connor GMC. The bid was \$96,484; \$120,000 was budgeted.

H. Fireworks public hearing: A public hearing on the sale and/or use of fireworks will be held on September 13 at 7 p.m.

I. Notification from DEP regarding Shoreland Zoning Amendments: The DEP has approved the Village Waterfront District with conditions. **Judy Colby moved to ask the ORC to incorporate the conditions or work with the DEP on what ability the town has to modify the conditions and still meet the DEP's requirements. Vote 5-0-0.**

J. General Update: Smith reported she had written to the post office and to the State of Maine regarding safety issues brought to the board's attention at the last meeting. CEO Rick Lang had reviewed the safety issue on Main Street and found no violation of ADA rules.

The town has the opportunity to join the county in purchasing oil and Smith has advised the commissioners of the town's interest and needs. Smith said her goal was to purchase oil at \$3 per gallon.

12. Other Board Business

Judy Colby recommended that the board as a group visit the town departments. The town manager will arrange visits to the departments on Mondays beginning in September.

Judy Colby moved to go into executive session to discuss personnel matters pursuant to M.R.S.A. 405 (6)(a). Vote 5-0-0.

The board exited executive session at 9:37 p.m.

13. Adjournment

The meeting adjourned at 9:37 p.m.

WISCASSET BOARD OF SELECTMEN,
BOARD OF ASSESSORS, & OVERSEERS OF THE POOR
AUGUST 11, 2011

Preliminary Minutes

(tape recorded meeting)

Present: Chair Judy Colby, Bill Curtis, Pam Dunning, Vice Chair David Nichols, Ed Polewarczyk and Town Manager Laurie Smith

1. Call to Order

The chair called the meeting to order at 5 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Open Commercial Pier Construction Bids

The following bids were received:

	<u>Chesterfield</u>	<u>Prock Marine</u>	<u>Wyman & Simpson</u>	<u>C. W. White Marine</u>
Base Bid	\$387,000	\$207,000	\$300,000	\$315,000
Alternate 1a	246,500	185,000	252,000	259,510
Alternate 1b	299,500	241,000	300,000	327,000
Alternate 1c	476,500	374,000	420,000	475,375
Alternate 2a	257,000	163,000	236,000	280,000
Alternate 2b	282,000	199,000	270,000	322,610
Alternate 2c	458,000	334,000	380,000	466,000
Wood deck pier option	633,500	392,000	552,000	574,510
Precast Concrete Option	644,000	370,000	536,000	595,000

Town Manager Laurie Smith said the engineers would review the bids and make a recommendation at the next meeting.

Bill Curtis asked that a clerk of the works be appointed to represent the board.

4. Adjournment

Pam Dunning moved to adjourn. Vote 5-0-0.

**WISCASSET TOWN WARRANT
STATE OF MAINE**

To Charles DiPerri, Constable, 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 and State, qualified by law, to vote in Town affairs to meet at the Wiscasset Community Center on Tuesday, the 8th day of November, 2011 from 8:00 A.M. until 8:00 P.M., then and there to act on the following articles:

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

And to vote by secret ballot on the following articles:

Article 2. Shall the Town appropriate the sum of \$5,000 the entire amount to come from impact fees for **Wastewater System** capital expenses?

Note: This amount should have been included on the June 14, 2011 Annual Town Meeting Warrant but was omitted. This amount will not increase the tax commitment as it comes from impact fees.

Article 3. **Non-Binding Survey Question:**
Shall the Town of Wiscasset vote to begin the process of withdrawal from RSU 12, beginning January 1, 2012?

Note: Pending on the warrant article vote, the Selectmen may seek legal advice regarding the process and procedures for RSU withdrawal.

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 ___ day of _____ 2011.

Judith Colby, Chairman

Pamela Dunning, Selectman

David Nichols, Selectman



Town of Wiscasset

10A

MEMORANDUM

To: Board of Selectmen
Fr: Laurie Smith, Town Manager
Re: Questions Regarding A Potential Withdrawal from the RSU
Dt: December 16, 2010

As I indicated at the last Selectmen's Meeting I scheduled a meeting for December 10th, 2010 with Jim Rier of the Department of Education. The purpose of the meeting was to ascertain the parameters and consequences of a proposed withdrawal from the RSU 12. Jim Rier reviewed the state statute M.R.S.A. 20-A, Section 1466 and answered the questions which I and the citizen volunteers had developed.

Question: What is the timeline associated with an RSU withdrawal?

1. No official work or votes can begin until the completion of three years within the RSU. The three year date for Wiscasset is July 1, 2012.
2. After the three year time period the residents of the municipality may petition to withdraw. Ten percent of the number of voters in the municipality who voted at the last gubernatorial election must sign the petition. The current number would be 166. The petition process cannot begin until after July 1, 2012.
3. Once the petition is submitted and verified the petition must be approved by secret ballot by a majority vote. The article to be voted on must be in the following form:
"Do you favor filing a petition for withdrawal with the board of directors of regional school unit 12 and with the Commissioner of Education, authorize the withdrawal committee to expend \$ _____ and authorizing the Selectmen of Wiscasset to issue notes in the name of the Town of Wiscasset or otherwise pledge the credit of the Town of Wiscasset in an amount not to exceed \$ _____ for this purpose?"
4. The Selectmen than appoint representatives to a withdrawal committee:
 - a. One member from the Board of Selectmen
 - b. One member from the general public
 - c. One member from the group filing the petition
 - d. One member of the RSU who represents Wiscasset.

The committee's purpose is develop a plan and prepare an agreement with the Regional School Unit for the withdrawal. The agreement must eleven different provisions from when the withdrawal takes effect to how all pieces of the education system will be provided for in the future. Part of the agreement will also be the division of property and debt.

5. Once the agreement has been negotiated between the two parties it is sent to the Commissioner of Education for conditional approval.
6. If the agreement receives conditional approval then a public hearing is held in Wiscasset.
7. After the hearing a date is set for the municipal election on the withdrawal agreement. Another public hearing is required as part of the election process. The ballot should read :
“Do you favor the withdrawal of the Town of Wiscasset from the regional school unit 12 subject to the terms and conditions of the withdrawal agreement dated _____.”
8. **Withdrawal requires a 2/3 vote of those casting votes.**

Once a community withdraws from an RSU there are considered to be non-compliant with State statute. They then have 2 years to comply with RSU law.

Question: What determines the size of an RSU? Is there a minimum requirement?

The current minimum standard for any RSU is 1,200 students.

Question: What opportunities are there for us join another RSU?

Once the Town follows the process for withdrawal it may then vote to join a different RSU. There is a two year deadline for compliance with the statute as noted above. It was suggested that the committee should begin negotiations with other RSUs as part of the agreement process as a plan for future education will be required.

Question: How might we best negotiate a fair funding formula within our RSU that treats all students and towns equally?

When the RSU process began there was no “magic” formula that everyone used, each group of municipalities designed a formula that worked for the overall group. It was not uncommon to begin the new unit using a formula based on the current percentages each municipality was currently paying. Since then certain formulas have been identified as working well at bringing equity to the group. Most of these formulas introduce weighted averages for student population. Any formula changes however need to be negotiated within the RSU.

Question: What are the consequences to consider of an RSU Withdrawal?

Each portion of an agreement needs to be negotiated, these includes debt, property, future education, school building closures, and new partnerships.

What support can the Department of Education provide in order for us assess the fiscal, legal and educational issues?

The Department of Education can answer questions regarding the process and offer suggestions as to where to find good models. However, the municipality will shoulder the costs for legal and fiscal consultation during the development of an agreement.

Mr. Rier made it clear that the process is difficult and time consuming, but not impossible. I have also attached a copy of the statute for your reference.



Town of Wiscasset ^{10 A}

MEMORANDUM

To: Board of Selectmen
Fr: Laurie Smith, Town Manager
Re: Voter Approval to Expend Wastewater Impact Fees
Dt: August 30, 2011

While balancing the budget numbers against the Town Warrant articles as part of the setup of the new fiscal year it became apparent that the \$5,000 in Impact Fees normally appropriated had not been calculated into the warrant articles for the June, 2011 warrant. The Budget Committee and Selectmen had both approved use of \$5,000 from impact fees for capital needs at the Treatment Plant or throughout the wastewater system. When the warrant article was prepared it did not include the \$5,000. I am proposing that we add this amount to the November warrant. This amount will not change the tax commitment as the funds come from the payment of impact fees.

Municipal Lease Documentation Closing Agenda

LEASING CUSTOMER: Town of Wiscasset, Maine

LEASE NUMBER: ME1075-05

CLOSING DATE: September 15, 2011

AMOUNT: \$9,908.63

Lease Transaction will not be funded until we have receipt of the following:

- 1) Lease Proposal w/ Amortization Schedule signed and completed.
- 2) Municipal **Lease Purchase Agreement** signed and completed.
- 3) Equipment and Lease Payments-**Schedule A** signed and completed.
- 4) Acknowledgment & Acceptance of Equipment by Lessee-**Schedule B** signed and completed.
- 5) Insurance Verification-**Schedule C** signed and completed & Insurance Certificate returned with your documents.
- 6) Essential Use Statement-**Schedule D** signed and completed.
- 7) Tax Statement-**Schedule E** signed and completed.
- 8) Advance payment check returned with copy of the invoice for the first payment.
- 9) Form 8038-GC / 8038-G completed and signed.
- 10) Municipal Fact Sheet *must* be complete and signed.
- 11) Please return copies of the meeting minutes or council order approving this transaction.
- 12) Please enclose the most current budget.
- 13) Please enclose 1 years audited financial statements.
- 14) Vendor invoice assigned to Gorham Savings Leasing Group, LLC. and initialed.
- 15) "Opinion of Counsel".
- 16) Title Application listing "Gorham Savings Leasing Group, LLC." as Lienholder.
- 17) Bill of Sale completed and signed.
- 18) Copies of checks paid to Vendors.
- 19) W9 form completed and signed.

20%

GORHAM SAVINGS LEASING GROUP LLC

63 Marginal Way
Portland, Maine 04101
207-839-3342

Lease Number: ME1075-05

MUNICIPAL LEASE PURCHASE AGREEMENT

GORHAM SAVINGS LEASING GROUP, LLC, a Maine corporation with a principal location in Portland, Maine, (the "Lessor"), and the Lessee, indicated on Schedule A attached hereto (the "Lessee") agree to the lease of equipment subject to the terms of this Agreement and all schedules attached hereto (collectively referred to as the "Lease").

In consideration of the mutual covenants herein contained, the parties covenant and agree as follows:

1. **EQUIPMENT.** Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the equipment listed in Schedule A together with any replacement parts, additions, repairs or accessories now or hereafter permanently incorporated in or affixed to it (the "Equipment") on the terms and conditions set forth herein.
2. **TERM.** The term of this Lease is set forth in Schedule A (the "Lease Term").
3. **COMMENCEMENT AND EXPIRATION.** This Lease shall commence upon Lessee's acceptance of the Equipment (the "Commencement Date") and continue until the earlier of (i) the end of the Lease Term; (ii) a permitted termination pursuant to Non-Appropriation of Funds (Paragraph 17); (iii) Lessor's termination of the Lease after Default (Paragraph 18) or (iv) Lessee's proper exercise of its option (Paragraph 19). Lessor shall have no obligation to Lessee under this Lease if the Equipment, for whatever reason, is not delivered to Lessee within 90 days after Lessee signs this Lease. Lessor shall have no obligation to Lessee under this Lease if Lessee fails to execute and deliver to Lessor an Acknowledgment and Acceptance of Equipment by Lessee form within 30 days after the Equipment is delivered to Lessee.
4. **ACCEPTANCE OF EQUIPMENT.** Lessee agrees to inspect the Equipment on receipt of the Equipment and to execute an "Acknowledgment and an Acceptance of Equipment by Lessee" form, in the form attached hereto as Schedule B, after the Equipment has been delivered and after Lessee is satisfied that the Equipment is satisfactory as of the time of inspection in every respect, excluding latent or unknown defects.
5. **COVENANTS OF LESSEE.** Lessee represents and warrants to Lessor that as of the date of this Lease and throughout the term of this Lease:
 - (a) Lessee is a public body, politic and corporate within the state in which it is located;
 - (b) Lessee is duly organized and existing under the Constitution and laws of said State, and is duly authorized to execute and carry out its obligations under this Lease;
 - (c) This Lease including all schedules and amendments hereto have been duly authorized, executed and delivered by Lessee; and
 - (d) No provision of this Lease constitutes a pledge of tax or general revenues of Lessee and all lease payments hereunder shall constitute current expenses of the Lessee.
6. **PAYMENTS; AMORTIZATION SCHEDULE.** Lessee agrees to pay the total rent equal to the "Payment Amount" as set forth in Schedule A multiplied by the number of payments specified in "No. of Payments" as set forth in Schedule A. Payments will be made in advance and periodically as specified in Schedule A. Payments shall be made by Lessee at Lessor's address set forth above, or as otherwise directed by Lessor. Lessee shall not abate, set off, deduct any amount, or reduce any payment for any reason. The first payment shall be due on the date of the date of acceptance of the Equipment by Lessee, and subsequent payments shall be due on the same day of each succeeding pay period throughout the term of the Lease. Lessee agrees that the Amortization Schedule delivered or to be delivered to Lessee shall be incorporated into this Lease. Lessee shall be deemed to have agreed to such Amortization Schedule as of the Commencement Date.
7. **DISCLAIMER OF WARRANTIES AND CLAIMS. LIMITATION OF REMEDIES.** THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR. Lessee acknowledges and agrees as follows:
 - (a) LESSOR MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED AS TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, ITS QUALITY, OR WITH RESPECT TO ANY CHARACTERISTICS OF THE EQUIPMENT;

- (b) Lessee has fully inspected the Equipment, which it has requested Lessor to acquire and lease to Lessee, and the Equipment is in good condition and to Lessee's complete satisfaction as of the time of inspection, excluding latent or unknown defects;
- (c) Lessee acknowledges that the Equipment is leased to Lessee solely for the purpose of performing governmental or proprietary functions of Lessee and will not be used in a trade or business other than the Lessee;
- (d) If the Equipment is not properly installed, does not operate as represented or warranted by the Supplier or manufacturer, or is unsatisfactory for any reason, regardless of cause or consequence, Lessee's only remedy, if any, shall be against the Supplier or manufacturer of the Equipment and not against Lessor;
- (e) Provided Lessee is not in default under this Lease, Lessor assigns to Lessee any warranties made by the Supplier or the manufacturer of the Equipment;
- (f) LESSEE SHALL HAVE NO REMEDY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES AGAINST LESSOR; and
- (g) NO DEFECT, DAMAGE, OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO MAKE LEASE PAYMENTS OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE.

8. NON-ASSIGNMENT. Lessee agrees that it shall not assign, sublease, pledge or transfer this Lease or sublease the Equipment or any interest therein, or otherwise dispose of the Equipment referenced in this Lease without the prior written consent of Lessor.

9. RELATION BETWEEN LESSOR AND SUPPLIER. Lessee understands and acknowledges that no broker or Supplier or any agent of such is an agent of Lessor. No Supplier or agent of such is authorized to waive or alter any term or condition of this Lease and no representation as to the Equipment made by a Supplier or agent of same shall affect Lessee's duty to pay the lease payments hereunder.

10. LOCATION. The Equipment shall be kept at the location set forth in Schedule A and may not be removed without Lessor's prior written consent.

11. USE. Lessee shall maintain the Equipment in good operating condition in the same configuration as when accepted, shall use the Equipment solely in the manner for which it was intended and reasonably in compliance with manufacturer instructions, shall make all necessary repairs at Lessee's expense, shall reasonably comply with all laws relating to its possession, use or maintenance, and shall not unreasonably make any alterations, additions or improvements to the Equipment without Lessor's prior written consent. Lessee further agrees to comply with all license and copyright requirements of any software used in connection with the Equipment.

12. OWNERSHIP; TITLE. Title to the Equipment shall pass to Lessee upon Lessee's acceptance of the Equipment pursuant to this Lease, subject to the rights of Lessor under this Agreement. To secure the payment of Lessee's obligations under this Lease, Lessee grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, accessions and substitutions thereto, and on any proceeds therefrom. Lessee agrees to execute such additional documents, including a UCC-1 form in the appropriate office of Lessee's state and similar instruments, in form reasonably satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain a security interest, and upon assignment, the security interest of any assignee of Lessor. Lessor agrees to provide the Equipment to Lessee free of liens, attachments and other encumbrances.

All additions, repairs or improvements made to the Equipment shall belong to Lessee, subject to the rights of Lessor under this Lease.

13. SURRENDER. At the expiration of the Lease Term, should the Lessee choose not to exercise its option to purchase the Equipment, the Lessee, at its expense, shall return the Equipment in good repair, ordinary wear and tear excepted, by delivering it packed, if applicable, and ready for shipment to the Supplier or such other location as is agreed to by the parties.

14. LOSS OR DAMAGE. Lessee shall at all times after signing this Lease bear the entire risk of loss, theft, damage or destruction of any part of the Equipment from any cause whatsoever and no loss, theft, damage or destruction of the Equipment shall relieve Lessee of the obligation to make lease payments hereunder or to comply with any other obligation of this Lease. In the event of damage to any part of the Equipment, Lessee shall immediately place the same in good repair at Lessee's expense. If Lessor determines that any part of the Equipment is lost, stolen, destroyed, or damaged beyond repair, Lessee shall, at Lessee's option, do one of the following:

(a) Replace the same with like equipment in good repair of comparable function, capacity and features, reasonably acceptable to Lessor in which event this Lease shall continue and the replacement equipment shall constitute Equipment for all purposes of this Lease; or

(b) Pay Lessor in cash the following: (i) all amounts due from Lessee to Lessor under this Lease up to the date of the loss; and (ii) the accelerated balance of the total amounts due for the remaining term of this Lease attributable to said item, discounted to its net present value at a simple interest rate equal to the interest rate set forth on Schedule A and resulting in the amortization of principal and interest as set forth in the attached Amortization Schedule. Upon Lessor's receipt of payment as set forth above, Lessee shall be entitled to the Equipment with any warranties made by the supplier or manufacturer but without any warranties from Lessor. If insurance proceeds are used to fully comply with this subparagraph, the balance of any such proceeds shall go to Lessee to compensate for loss of use of the Equipment for the remaining term of the Lease.

15. INSURANCE; LIENS; TAXES. The Lessee shall at its own expense and for the term of this Lease provide and maintain insurance against loss, theft, damage or destruction of the Equipment in an amount not less than the full replacement value of the Equipment, naming Lessor or its assignee as the loss payee to the extent of Lessor's interest. Lessee also agrees to name Lessor as an additional insured on Lessee's comprehensive general all-risk liability policy or public liability policy, insuring Lessor and Lessee against any and all loss or liability for all damages, either to property, persons or otherwise, which might result from the condition, use or operation of the Equipment, with such limits and with an insurer satisfactory to the Lessor. The Lessee's obligation under this paragraph is limited by the Lessee's limits of liability and substantive areas of liability under the Maine Tort Claims Act or its limits and areas of liability under its insurance, whichever is greater. Each policy shall expressly provide that said insurance as to Lessor and its assigns shall not be invalidated by any act, omission, or neglect of Lessee and cannot be canceled without 30 days' prior written notice to Lessor. As to each policy Lessee shall furnish to Lessor a certificate of insurance from the insurer, which certificate shall evidence the insurance coverage required by this paragraph. Lessor shall have no obligation to ascertain the existence of or provide any insurance coverage for the Equipment or for Lessee's benefit. Lessee agrees to keep the Equipment free and clear of all liens and encumbrances and to pay any and all charges and taxes imposed by local, state or federal law or authorities arising out of ownership, leasing, rental, sale, purchase, possession or use of the Equipment. If Lessee causes or allows events to happen that change the interest income tax-exempt status of this Lease, as provided in the Internal Revenue Code of 1986, as amended. Lessee agrees to pay the "taxable interest rate" retroactive to its Commencement Date. The "taxable interest rate" is defined as that rate that results in the same after-tax yield to the Lessor, or its assigns, as the tax-exempt rate on this Lease, or the highest rate permitted by law, whichever is less. Notwithstanding the provisions of this paragraph regarding insurance, the Lessee has provided the Lessor the following enumerated insurance policies, which Lessor specifies are the only insurances required under this Agreement and related documents:

16. ASSIGNMENT BY LESSOR. Lessee agrees that Lessor may assign this Lease after providing written notice to the Lessee of the assignment. Should the Lessor choose to assign the Lease, the assignee shall have all the rights and obligations originally afforded under this Lease. Lessee shall recognize and hereby consents to any assignment of this Lease.

17. NONAPPROPRIATION OF FUNDS. In the event no funds or insufficient funds are appropriated and budgeted for lease payments due under this Lease, the Lessee may elect to terminate this Lease in accordance with this paragraph. Lessee's election to terminate must be exercised by delivering its prior written notice of its intent to terminate together with a certified statement by an authorized official indicating that insufficient sums have been appropriated for the ensuing fiscal year of the Lessee. In the event of such termination, Lessee agrees to peaceable surrender of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer's specifications, if applicable, and sent prepaid and insured to the location as is agreed to by the parties. Lessor shall have all legal and equitable rights and remedies to take possession of the Equipment. Termination under this Paragraph 17 shall be effective upon the expiration of the applicable fiscal year of the Lease and payment of all lease payments during that fiscal year. Lessee's exercise of its rights under this Paragraph 17 shall not affect the survival of any other provisions (other than the obligation to make lease payments beyond the applicable fiscal year) which survive the termination of the Lease.

18. DEFAULT. Lessee shall be in default if: (a) Lessee fails to make any payments which are due under the terms of this Lease for a period of ten (10) days from the due date thereof; (b) Lessee fails to abide by any of the provisions of this Lease, and such failure continues for a period of ten (10) days; (c) the Equipment or any portion of the Equipment becomes subject to liens, seizures, assignments, transfers, sublease or sale without prior written consent of the Lessor; (d) Lessee abandons the Equipment or permits any other entity to use the Equipment without the prior written consent of Lessor; (e) Lessee has made any misleading or false statements in connection with application for or performance of this Lease; (f) Lessee defaults in any other agreement it has with Lessor; (g) Lessee assigns its rights in property for the benefit of creditors; or (h) Lessee files a petition under Title 11 of the United States Code, or any successor or similar law.

19. OPTION. Provided that no default or Non-Appropriation of Funds has occurred, Lessee may purchase all (but not less than all) the Equipment for the Option Price set forth on Schedule A at the end of the Lease Term. If Lessee exercises its option under this paragraph, Lessor shall convey or release to Lessee, all its right, title and/or interest in the Equipment on an AS-IS, WHERE-IS basis without any representation or warranty.

20. SEVERABILITY. This Lease is intended to constitute a valid and enforceable legal instrument, and no provision of this Lease that may be deemed unenforceable shall in any way invalidate any other portion or provisions hereof, all of which shall remain in full force and effect.

21. TIME OF ESSENCE. Time is of the essence in the performance of all aspects of the Lease; the parties agree that this provision shall not be waived by implication or otherwise should the parties accept performance on a late basis.

22. CHOICE OF LAW. The parties agree that the execution, interpretation and performance of this Lease shall be governed by the laws of the State of Maine.

23. ENTIRE AGREEMENT; NO WAIVER. This Lease, together with the attached Schedules A - E, constitutes the entire agreement between Lessor and Lessee. No provision of this Lease shall be modified or rescinded unless in writing signed by a representative of all parties hereto. Waiver by Lessor of any provision hereof in one instance shall not constitute a waiver as to any other instance.

IN WITNESS WHEREOF, the parties have caused this Municipal Lease Agreement to be executed by their duly authorized representatives as an instrument under seal.

Lessor:
Gorham Savings Leasing Group LLC

Lessee: Town of Wiscasset, Maine

By: _____

By: _____

Its: _____

Its: _____

Date: _____, 2011

Date: _____, 2011

GHH Revision 2/2004

LESSOR: Gorham Savings Leasing Group LLC

Lessee: Town of Wiscasset, Maine

Lease Number: ME1075-05

SCHEDULE A

EQUIPMENT AND LEASE PAYMENTS

LESSEE: Town of Wiscasset, Maine

CONTACT: Ms. Laurie Smith, Town Mgr.

ADDRESS: 51 Bath Road
Wiscasset, Maine 04578

PHONE: 207-882-8200
FAX: 207-882-8228

LOCATION OF EQUIPMENT (if different): Wiscasset Community Center

EQUIPMENT DESCRIPTION:

2-CYBEX 770T treadmills

Vendor:

LEASE TERMS:

CYBEX

Cost: \$9,908.63
Lease term: 4 years
Payment: \$2,606.41
Number of Payments: 4 annual
Purchase option: One-dollar (\$1.00)
Lease start date: September 15, 2011
First payment due date: September 15, 2011
(See attached amortization)

Lessor: Gorham Leasing Group

Lessee: Town of Wiscasset

Signature and title Date: _____

Signature and title Date: _____

Town of Wiscasset

Cor : Annual

Nor : 3.500 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Lease	09/15/2011	9,908.63	1		
2 Lease Payment	09/15/2011	2,606.41	4	Annual	09/15/2014

AMORTIZATION SCHEDULE - Normal Amortization

Date	Lease Payment	Interest	Principal	Balance
Lease 09/15/2011				9,908.63
1 09/15/2011	2,606.41	0.00	2,606.41	7,302.22
2012 Totals	2,606.41	0.00	2,606.41	
2 09/15/2012	2,606.41	255.58	2,350.83	4,951.39
2013 Totals	2,606.41	255.58	2,350.83	
3 09/15/2013	2,606.41	173.30	2,433.11	2,518.28
2014 Totals	2,606.41	173.30	2,433.11	
4 09/15/2014	2,606.41	88.13	2,518.28	0.00
2015 Totals	2,606.41	88.13	2,518.28	
Grand Totals	10,425.64	517.01	9,908.63	

LESSOR: Gorham Savings Leasing Group LLC

Lessee: Town of Wiscasset, Maine

Lease Number: ME1075-05

SCHEDULE B

ACKNOWLEDGEMENT AND ACCEPTANCE OF EQUIPMENT BY LESSEE

Lessor: Gorham Savings Leasing Group LLC
63 Marginal Way
Portland, Maine 04101

Equipment: See Schedule A.

Lessee hereby acknowledges that the Equipment described above has been received in good condition and repair, has been properly installed, tested, and inspected, and is operating satisfactorily in all respects for all of Lessee's intended uses and purposes, excluding latent or unknown defects. Lessee hereby accepts the Equipment unconditionally and irrevocably from Lessor, but waives no rights against supplier or manufacturer.

By signature below, Lessee specifically authorizes and requests Lessor to make payment to the supplier of the Equipment. Lessee agrees that said Equipment is not being leased on any type or form of trial or rental basis.

Date of Acceptance:

Lessee: Town of Wiscasset, Maine

By: _____

Print name and title

LESSOR: Gorham Savings Leasing Group LLC

Lessee: Town of Wiscasset, Maine

Lease Number: ME1075-05

SCHEDULE C

INSURANCE VERIFICATION

Paragraph 15 of the Lease states that you must carry insurance on the Equipment. Your insurance company shall name Gorham Savings Leasing Group LLC, 63 Marginal Way, Portland, Maine 04101, as the loss payee to the extent of its interest if the equipment is damaged. Please fill out the information below to ensure this takes place. You are responsible for contacting your insurance agent to set this up. Please have a binder sent to us.

This is to confirm that the Equipment under Lease Purchase Agreement No. ME1075-05 is or will be insured for all risks of loss or damage from every cause whatsoever, and the Lessee shall also carry public liability insurance, personal injury insurance and property damage insurance covering the Equipment.

All such insurance shall be provided in accordance with the requirements of paragraph 15 of the Lease. Gorham Savings Leasing Group LLC and/or its Assignee shall be named to the extent of its interest "LOSS PAYEE" on the loss or damage coverage and "ADDITIONAL INSURED" on the liability coverage.

A binder describing the insurance coverage will be sent to Gorham Savings Leasing Group LLC and/or its Assignee by mail and/or Fax: 207-772-5743

AGENCY: _____
ADDRESS: _____
Agent's Name: _____
Phone: _____
Insurance Co. _____
Policy No. _____

Lessee: Town of Wiscasset, Maine

By: _____
Signature and Title

Date: _____, 2011

WE MUST HAVE A CERTIFICATE OF INSURANCE IN HOUSE PRIOR TO FUNDING

LESSOR: Gorham Savings Leasing Group LLC

Lessee: Town of Wiscasset, Maine

Lease Number: ME1075-05

SCHEDULE D

ESSENTIAL USE STATEMENT

It is represented to Lessor that the Equipment will be used by Lessee for the following purposes: _____

_____ and the use of the Equipment is essential to its proper, efficient and economic operation. The expense is an ordinary and necessary expense of the Lessee and the use of the equipment is essential to the proper, efficient and economic operation of the Lessee.

Appropriation Certificate

The Lessee hereby certifies that all payments due for the fiscal year ending _____ 20 ____, are within such fiscal year's budget for Lessee and within an available, unexhausted and unencumbered appropriation.

Lessee: Town of Wiscasset, Maine

By: _____

Print name and title

Date: _____, 2011

LESSOR: Gorham Savings Leasing Group LLC

Lessee: Town of Wiscasset, Maine

Lease Number: ME1075-05

SCHEDULE E

TAX STATEMENT

Lessee further covenants to Lessor as follows:

1. Lessee is a state or a political subdivision thereof; within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code").
2. The Equipment will be used for a governmental or proprietary purpose of Lessee and will not be used in a trade or business of any person or entity other than the Lessee.
3. The Equipment will have a useful life in the hands of the Lessee that is in excess of the term of the Lease.
4. Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986 ("the Code"), including without limitation Section 103 and 148 thereof, and the applicable regulations of the U.S. Treasury Department, in order to maintain the exclusion of the interest components of Lease Purchase Payments from gross income for the purpose of Federal Income Taxation.
5. Lessee will use the Equipment as soon as practicable and with all reasonable dispatch, for the purpose for which this Lease has been entered into. No part of the proceeds of this Lease shall be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of this Lease, would have caused any portion of the Lease to be or become "arbitrage bonds" within the meaning of Section 103 (b) (2) or Section 148 of the Code, as amended, and the applicable regulations of the U.S. Treasury Department.
6. Lessee hereby designates the Lease as a "qualified tax-exempt obligation" as defined in Section 265 (b) (3) (B) of the Code, as amended. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501 (c) (3) bonds) issued, or to be issued, by Lessee and all subordinate entities thereof during the calendar year of commencement of this Lease (the "Issuance Year") is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000. of qualified tax-exempt obligations (including this Lease, but excluding private activity bonds other than qualified 501 (c) (3) bonds) during the Issuance Year without first obtaining an opinion of recognized bond counsel acceptable to Lessor that the designation of this Lease as a "qualified tax-exempt obligation" will not be adversely affected.

7. Lessee represents and warrants that it is a governmental unit under the laws of the State with general taxing powers, this Lease is not a private activity bond as defined in Section 141 of the Code, as amended; 95% or more of the net proceeds of this Lease will be used for local governmental activities of Lessee; and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued, or to be issued by the Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed \$5,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$5,000,000. of tax-exempt bonds (including this Lease, but excluding private activity bonds) during the Calendar Year without first obtaining an opinion of recognized bond counsel acceptable to Lessor that the excludability of the interest on the Lease from gross income for federal tax purposes will not be adversely affected.

8. Upon Lessor's request, Lessee shall, at its own expense, provide an opinion of recognized bond counsel acceptable to Lessor as to the above representations prior to acceptance of the Equipment.

Lessee: Town of Wiscasset, Maine

By: _____

Print name and title

Date: _____, 2011

Original 1/2004

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**

Under Internal Revenue Code section 149(e)

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority Check box if Amended Return

1 Issuer's name	2 Issuer's employer identification number
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite
4 City, town, or post office, state, and ZIP code	5 Report number (For IRS Use Only)
6 Name and title of officer or legal representative whom the IRS may call for more information	7 Telephone number of officer or legal representative

Part II Description of Obligations Check one: a single issue or a consolidated return

8a Issue price of obligation(s) (see instructions)	8a
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions)	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box	<input type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)	<input type="checkbox"/>
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Issuer's authorized representative	Date	Type or print name and title
Preparer's signature	Date	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ()

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that

an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev.

Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under Section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See Where To File below.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Form 8038-GC Receipt Acknowledgement

If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:

- A cover letter specifically requesting the acknowledgement of this return.
- A copy (or copies, if multiple acknowledgements are requested) of the return being filed, with "Acknowledgement Copy" written across the top of the first page of each copy. For multiple requests, the copies must be stapled together.
- A self-addressed stamped envelope for each acknowledgement receipt recipient.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction Issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and
2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return.

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the Issuer's address. If the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2008 for a single issue issued on March 15, 2008), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2008, enter 01/01/2008).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may

apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(E)(i)(II).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebata with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple issuers or banks, issuers should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple issuers or banks, issuers should attach a schedule.

Signature

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer's Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature,
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	4 hr., 46 min.
Preparing the form	2 hr., 22 min.
Copying, assembling, and sending the form to the IRS	2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File* on page 1.



Gorham Savings Leasing Group LLC
63 Marginal Way
Portland, Maine 04101

August 23, 2011

Town of Wiscasset
51 Bath Road
Wiscasset, Maine 04578

Lease # ME1075-05

Invoice

Payment Due: September 15, 2011	\$2,606.41
---------------------------------	------------

TOTAL DUE	\$2,606.41
------------------	-------------------

Terms: Due upon receipt.

Remit to:

Gorham Leasing Group
63 Marginal Way
Portland, Maine 04101

Bruce N. Thistle
(207) 839-3342 x 8601

11B

Town of Wiscasset
31 August 2011 - Tax Acquired Properties

First N	Last N	St #	Location	Notes	Balance as of 8/31/11	Owners response
	15 Summer Street Realty Trust	15	Summer Street	Making payments/rentals	\$9,703.74	
Mary Lee	Abbott	51	Old Ferry Road	Mobile Home, Garage & land	\$6,592.26	
	Ethel Barrett Revocable Trust	25	Middle Street	Home, probably unoccupied	\$15,767.52	
Sally	Berry	102	Old Stage Road	Mobile Home & land	\$2,374.73	Will pay \$50 monthly, taking over 7 yrs to catch up.
Basil	Bowen	970	Gardiner Road, Lot 16	Mobile Home only	\$0.00	After letter went out they paid in full.
Michael	Carlton	11	Hillside Drive	Home & land, making payments	\$19,466.84	Making payments
Scott	Connors		Lowelltown Road	Four parcels	\$7,692.69	Has paid off two parcels & making payments on other two parcels.
Susan	Coombs	123	Bath Road	Mobile Home only. Was destroyed & removed	\$300.49	
James	Crawson	1051	Gardiner Rd., #20	Mobile home only	\$2,196.02	
James	Cromwell		Hale Pond & Cromwell Rd	Land & Home & Land	\$10,105.56	
Laurie	Cromwell		Hale Pond Road	Land	\$2,474.42	Will pay \$25 bi-weekly.
Daryl	Delong	195	Fowle Hill Road	Mobile Home & land	\$9,816.19	
Judith	Dow	970	Gardiner Road, Lot 19	Mobile Home only	\$5,425.34	
	Ferry Road Development Co., LLC		Ferry Road	Land	\$15,994.43	
Robert C.	Gagnon	395	Birch Point Road	Mobile Home & land	\$5,876.56	Will pay \$100 bi-weekly starting 9/8/11
Robert	Greenleaf	285	Birch Point Road, Lot 17	Mobile home only	\$512.40	
	Hunt Company Inc	519A	Gardiner Road	Business & land	\$30,724.58	Nothing in writing but came in & spoke w/Jim
Kevin	James	149	Fowle Hill Road	Making payments/land	\$10,422.49	
Lena	Kingston	970	Gardiner Road, Lot 14	Mobile home only	\$2,446.95	
Currier	Langlely	157	Hale Pond Road	Land	\$3,118.61	
Samuel	Leighton	285	Birch Point Road, Lot 9	Mobile home only	\$2,299.91	Will pay \$50 weekly
	Mason Station, LLC			Numerous land lots. Total due does not include costs	\$500,000.00	
Kristy	Perkins	1051	Gardiner Road, Lot 24	Mobile home only	\$696.14	
Mike	Pinkham	1051	Gardiner Road, Lot 19	Mobile home only	\$1,228.09	
Charles	Reed	970	Gardiner Road, Lot 30	Mobile home only	\$3,225.20	Will pay \$100 monthly

Town of Wiscasset
31 August 2011 - Tax Acquired Properties

First N	Last N	St #	Location	Notes	Balance as of 8/31/11	Owners reponse
Naomi	Reed	970	Gardiner Road, Lot 30	Mobile home only	\$824.62	
Brandon	Shea	306	West Alna Road	Mobile home only	\$1,077.49	
Jenny	Spaulding	689	Gardiner Road	Land	\$4,386.43	
Kymberly	Sprague (Delano)	212	Old Bath Road	Mobile home only	\$10,469.21	Would like deal on fees/interest & will pay a minimum of \$50 weekly.
	Devisses of Marjory Sproul	489	Lowelltown Road	Home & Land	\$15,917.43	
Brian	Sukeforth	21	Sukeforth Drive	Mobile home only	\$484.21	
Lucinda	Tilas	64	Hale Pond Road	Home & Land	\$8,439.02	Nothing in writing but spoke w/Jim
Donald	True	73	Shady Lane	Home & Land	\$11,414.58	As of 8/9/11 is in the process of securing a new mortgage which includes the funds to catch up the taxes.
Joshua	Waite	52	Flood Avenue	Mobile home only	\$1,521.99	Currently paying \$20 wkly.
Heidi	Wall	372	West Alna Road	Mobile home only	\$1,829.98	
Robert	West	12	Huntton Hill Road	Double wide & land	\$0.00	After letter went out they paid in full w/credit for the new years' taxes.

RELEASE DEED

THE INHABITANTS OF THE MUNICIPALITY OF WISCASSET, a body corporate, located at Wiscasset, Lincoln County, Maine, for consideration paid, release to SCOTT CONNORS, of Wiscasset, Lincoln County, Maine (P.O. Address: 118 Old Dresden Road, Wiscasset, ME 04578), all interest acquired in land in Wiscasset, Lincoln County, Maine, depicted on Wiscasset Tax Map R01, Lot 035-C02, by virtue of real estate tax liens recorded in the Lincoln County Registry of Deeds at the following Book/Page numbers: 4043/318, 4175/53, 4297/77 and 4418/98.

The purpose of this conveyance is to release any interest which Wiscasset acquired in said real estate by virtue of said real estate tax liens recorded in the Lincoln County Registry of Deeds at the following Book/Page numbers: 4043/318, 4175/53, 4297/77 and 4418/98.

This conveyance shall not operate as a waiver of any current year's real estate taxes which may be due or become due.

The said Inhabitants of the Municipality of Wiscasset have caused this instrument to be signed in its corporate name by Judith Colby, William Curtis, Pamela Dunning, David Nichols and Edward Polewarczyk, its Selectmen thereunto duly authorized, this _____ day of _____, 2011.

INHABITANTS OF THE
MUNICIPALITY OF WISCASSET

Witness

By _____
Judith Colby, Selectperson
Chairman of the Board

Witness

By _____
William Curtis, Selectman

Witness

By _____
Pamela Dunning, Selectperson

Witness

By _____
David Nichols, Selectman

Witness

By _____
Edward Polewarczyk, Selectman

STATE OF MAINE

Lincoln, ss.

_____, 2011

Then personally appeared before me the above-named _____, Selectperson of the Town of Wiscasset, and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of the said Inhabitants of the Municipality of Wiscasset.

Notary Public

Printed name:

RELEASE DEED

THE INHABITANTS OF THE MUNICIPALITY OF WISCASSET, a body corporate, located at Wiscasset, Lincoln County, Maine, for consideration paid, release to JULIE M. WEST and ROBERT WEST, husband and wife, both of Wiscasset, Lincoln County, Maine (P.O. Address: 12 Huntoon Hill Road, Wiscasset, ME 04578), as joint tenants, all interest acquired in land in Wiscasset, Lincoln County, Maine, depicted on Wiscasset Tax Map R05, Lot 031-C, by virtue of real estate tax liens recorded in the Lincoln County Registry of Deeds at the following Book/Page numbers: 3881/1, 4044/221, 4175/294, 4297/303 and 4419/10.

The purpose of this conveyance is to release any interest which Wiscasset acquired in said real estate by virtue of said real estate tax liens recorded in the Lincoln County Registry of Deeds at the following Book/Page numbers: 3881/1, 4044/221, 4175/294, 4297/303 and 4419/10. This conveyance shall not operate as a waiver of any current year's real estate taxes which may be due or become due.

The said Inhabitants of the Municipality of Wiscasset have caused this instrument to be signed in its corporate name by Judith Colby, William Curtis, Pamela Dunning, David Nichols and Edward Polewarczyk, its Selectmen thereunto duly authorized, this _____ day of _____, 2011.

INHABITANTS OF THE
MUNICIPALITY OF WISCASSET

Witness

By _____
Judith Colby, Selectperson
Chairman of the Board

Witness

By _____
William Curtis, Selectman

Witness

By _____
Pamela Dunning, Selectperson

Witness

By _____
David Nichols, Selectman

Witness

By _____
Edward Polewarczyk, Selectman

STATE OF MAINE

Lincoln, ss.

_____, 2011

Then personally appeared before me the above-named _____, Selectperson of the Town of Wiscasset, and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of the said Inhabitants of the Municipality of Wiscasset.

Notary Public

Printed name:

12A

WISCASSET BOARD OF SELECTMEN
SEPTEMBER 2, 2008

Preliminary Minutes

(tape recorded meeting)

Present: Bill Curtis, Phil DiVece, Bob Fairfield, Chairman David Nichols, Vice Chairman Nicole Viele (arrived during the meeting) and Town Manager Arthur Faucher

1. Call to Order

Chairman Nichols called the meeting to order at 7 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Approve Minutes of August 19, 2008

Bill Curtis moved to accept the minutes as printed. Vote 4-0.

Agenda items 4 and 5 were postponed until the arrival of Nicole Viele who was attending a County Commissioners' meeting at the courthouse.

6. Sign Resolution for Silver Star Banner Day

The chairman read the resolution designating May 1 as Silver Star Banner Day in honor of service men and women killed and wounded in the service of their country. **David Nichols moved to sign the resolution. Vote 4-0.**

7. Request to approve the 911 road naming of Crabby Lane off Old Dresden Road

Bob Fairfield moved to approve the 911 road naming of Crabby Lane off Old Dresden Road. Vote 4-0.

8. Request to change use of Waterfront Pier on September 6, 2008 to September 13, for gospel concert from 5:30 to 6:30 p.m.

There was a consensus of the board that the date be changed.

9. Town Manager's Report

- Final Compensation of Benefits - Jefferson Slack: Town Manager Arthur Faucher requested approval of the final compensation of \$2,705.40 due Jeff Slack for balance of vacation, sick and holiday hours due as of August 22, 2008, his last day of employment as Assistant Recreational Director. **Bill Curtis moved to approve the compensation amount of \$2,705.40 for Jeff Slack to be paid from the Assistant Recreation Director's account. Vote 4-0.**
- Temporary Access and Work Rights to Thorndike Road: MDOT has requested access to a section of Thorndike Road for the purpose of repairing a culvert under the railroad bridge. The work is estimated to take four to six months. The request had been approved by the Road Commissioner. **David Nichols moved to grant MDOT temporary road and access rights to Thorndike Road to get to the bridge.** The Town Manager was asked to advise the MDOT that the access right was granted with

the understanding that the Town would be reimbursed for any damage to Thorndike Road. **Vote 5-0.**

- Memorandum of Understanding between and among MDOT, Lincoln County and Wiscasset: The MDOT has requested approval by the Selectmen of the MOU regarding the posting of an electronic message board on I-295 advising of traffic congestion on Route 1 in Wiscasset. The trial period for the traffic advisory is from September 2 to October 15, 2008. In the event of traffic congestion on Route 1 in Wiscasset, the Wiscasset Police will advise the Lincoln County Communications Center, which will in turn notify the State to post the travel delay message on Route I-295. Don Jones, Transportation Committee Chair, said that a recent meeting of the bypass task force, the traffic warning was discussed and had the support of the chambers of commerce of nearby towns. **Nicole Viele moved to accept the Memorandum of Understanding given Don's information and authorize Arthur [Faucher] to sign. Vote 4-1 (DiVece opposed).**

4. Set date for Special Town Meeting to vote on use of surplus and capital reserves to reduce the fiscal year 2008 tax rate (recommended date September 11, 2008)

The Town Manager advised the board that a meeting date could not be set until the final numbers are received from the auditor. Nicole Viele said that according to the previous meeting minutes, the board had set the date of the meeting and would have to sign the warrant at this meeting in order to hold the meeting on September 11. **Phil DiVece moved to not hold the special town meeting on September 11 as previously scheduled. Vote 5-0.** Nicole Viele said that a special board meeting might be necessary to set the date for a special town meeting in order to get the tax bills out in a timely fashion.

5. Sign Warrant for Special Town Meeting

NA

10. Proposed FOAA Policy - Phil DiVece

Phil DiVece presented a draft policy outlining the filing procedure and the filing fee for persons requesting documents from the Town. He said this was the first change to the policy manual, which will be undergoing revision in the next year. Much of the information, which might be required, will be available on the website. In case of hardship, part or all of the fees may be waived. DiVece explained the need to charge for staff time in researching and providing information requested and for copying and printing out documents. **Nicole Viele moved to accept the policy for FOAA and adopt it into our procedures. Vote 5-0.**

11. Other Business

There was a consensus of the board that an executive session be held on Saturday, September 6, at 1 p.m. to interview applicants for the Transfer Station Supervisor position. Board members were asked to forward their selections for interviews to the Town Manager by Wednesday, September 3.

Bill Curtis and Nicole Viele will meet with the Town Manager to write an ad for the anticipated opening of the executive secretary's position at the end of October. Bill Curtis said he had prepared a job description that had not yet been approved by the board.

Town of Wiscasset
Policy Procedure

Requests for Public Documentation Inspection
Under Maine's Freedom of Access Act (FOAA)

Explanation: The Freedom of Access Act (FOAA) is a state statute intended to provide access to public records of local government bodies and agencies.

Filing procedure:

Requests for information under the Freedom of Access Act should be made in person at the Wiscasset Town Office. The Town of Wiscasset asks that individuals making requests do so in writing in order to maintain a record of when the request was filed and what records are being specifically asked for. Such documents may include copies of the Town of Wiscasset's property tax list, minutes from board meetings, statements of accounts payable for town departments and all other relevant public information as defined under Maine statutes. Public records may include e-mails or other electronic data.

Filing Fee:

There is no initial fee for submitting a Freedom of Access Act request; however, all person(s) requesting photocopies of Town of Wiscasset documents will be charged a \$0.40 per page filing fee to process the request. Any request which requires the town to spend employee time researching documents exceeding more than one hour will be charged \$10 per hour after the first hour of staff time for retrieving, compiling or exerting confidential information from the requested records. This also includes costs associated with the translation of electronic files to print format. In accordance with 1 M.R.S.A. statutes, 408 (4) & (5) the Town of Wiscasset will provide a written estimate of the time and cost required to complete a request and if the estimate is greater than \$20.00 will notify the requester in advance of proceeding. The Town of Wiscasset may ask for payment in advance should the estimated cost exceed \$100.00; or if the requester has previously failed to pay a fee properly assessed in accordance with the Freedom of Access Act.

All FOAA requests will be processed in a "reasonable period of time" in accordance with 1 M.S.R.A. 408 (1). The Town of Wiscasset retains the right to schedule a time when records may be inspected during regular business hours. The Town of Wiscasset in accordance with 1 M.S.R.A. 409 (1) will respond in writing within 5 working days should any FOAA request be denied.

Dept. Head Tours with Selectmen

Monday, Sept. 12th

Community Center	10:30 am
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Monday, Sept. 19th

Wastewater	9 am
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Monday, Sept. 26th

Not confirmed	9 am
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Monday, Oct. 3rd

Airport	9 am
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Monday, Oct. 17th

Not confirmed	9 am
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Monday, Oct. 24th

Police	9 am
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Monday, Oct. 31st

Public Works	9 am
--------------	------

Note: The Transfer Station, Fire Department, and EMS have not yet been assigned.

Laurie Smith

From: Edgecomb, Michael <michael.edgecomb@twcable.com>
Sent: Tuesday, August 30, 2011 1:35 PM
Subject: DCI LFA Notification Letter
Attachments: TWB1018_Wave1_LegalLetter_BST_K02.pdf; FAQs 8.29.11.docx

August 30, 2011

Dear Town/City Manager or Elected Official:

I am writing as a follow up to the letter I sent you in June regarding Time Warner Cable's pilot project which will transition our video line up to an exclusively all-digital format. Over the summer we have been proactively reaching out to customers through service calls and new installations to install digital adapters in the home. To date we have installed over 1,800 digital adapters and the customer response has been overwhelmingly positive. They are excited about experiencing better picture and sound as well as new features that will be available when the project is completed, depending on the services they choose:

- Access to thousands of hours of On Demand programming;
- Additional High Definition programming;
- More bandwidth available for surfing the Internet;
- Enhanced home phone services
- And more entertainment options than ever before.

Time Warner Cable's Augusta area channel line-up will transition to an exclusively digital transmission format beginning with an initial transition on or after October 19, 2011 and the second wave of channels converting on or after November 30, 2011. Customers in this area will need to have a digital set-top box or digital adapter from Time Warner Cable (or a third party device equipped with a CableCARD™ provided by Time Warner Cable) for each television they use to view Time Warner Cable video services.^[1] Attached is a copy of the customer letter that will be sent out this week.

Time Warner Cable's top priority is to ensure that this process is simple and easy for our customers, and that is why we have started reaching out to customers well in advance. An extensive customer education campaign is underway with notifications of these changes sent by means of targeted e-mail, direct mail and specialized commercials created for this pilot program that will air on over 24 cable networks across our system. Customers can get as many digital adapters as they need from Time Warner Cable, we will not charge any fees for them until January 2014. After that, they will only cost \$.99/month, per adapter.

For your convenience I have attached some talking points for you and your staff in the event that you receive any questions from residents.

Please feel free to call or e-mail with any questions.

Sincerely,

Mike Edgecomb
Director, Government Relations
michael.edgecomb@twcable.com

Shelley Winchenbach
Director, Government Relations
shelley.winchenbach@twcable.com

^[1] A quadrature amplitude modulation ("QAM") tuner television will continue to be able to display Basic Service Tier channels even without a Time Warner Cable digital set top box, adapter or CableCARD. In order to see any channels above the Basic Service Tier level, a QAM tuner TV will require a Time Warner Cable digital device. The Basic Service Tier channel line-up varies by area but in general includes local broadcast TV stations plus local government, education, and public access channels. A digital adapter is a small one-way device that converts digitally transmitted programming to a format capable of display on analog (as well as digital) televisions.

Mike Edgecomb
Director, Government Relations
Time Warner Cable - Northeast
400 Old County Rd
Rockland, ME 04841
207-594-2249 ext 3710
207-596-6365 fax

This E-mail and any of its attachments may contain Time Warner Cable proprietary information, which is privileged, confidential, or subject to copyright belonging to Time Warner Cable. This E-mail is intended solely for the use of the individual or entity to which it is addressed. If you are not the intended recipient of this E-mail, you are hereby notified that any dissemination, distribution, copying, or action taken in relation to the contents of and attachments to this E-mail is strictly prohibited and may be unlawful. If you have received this E-mail in error, please notify the sender immediately and permanently delete the original and any copy of this E-mail and any printout.

^[1] A quadrature amplitude modulation ("QAM") tuner television will continue to be able to display Basic Service Tier channels even without a Time Warner Cable digital set top box, adapter or CableCARD. In order to see any channels above the Basic Service Tier level, a QAM tuner TV will require a Time Warner Cable digital device. The Basic Service Tier channel line-up varies by area but in general includes local broadcast TV stations plus local government, education, and public access channels. A digital adapter is a small one-way device that converts digitally transmitted programming to a format capable of display on analog (as well as digital) televisions.

Digital Conversion Initiative - FAQs

What is the Digital Conversion Initiative?

- Time Warner Cable is migrating its current system to be entirely digital. If a customer has a cable line that runs directly from the wall into their TV set (or VCR or DVD player, etc.) they may lose picture on certain channels later this year, and Time Warner Cable wants to make sure this doesn't happen. If you have a set-top box connected to your TV, you don't need to take any action for that TV.

Why is this happening now?

- The Digital Conversion Initiative allows Time Warner Cable to begin delivering more and enhanced products and services that will connect and entertain its customers for many years to come. As the proportion of HD TV sets increases year after year, and as cable networks produce more HD programming, Time Warner Cable is working hard to make this programming available to its HD customers in innovative ways, including the TWCable TV™ for iPad® app (just as one example). They are also working to deliver faster Internet speeds, enhanced Home Phone services and other exciting services.

Which customers will be affected?

- It will only affect subscribers in the greater Augusta cable system. This includes customers in 105 communities, including Augusta/Waterville/Fairfield, Lewiston/Norway, Oxford, Rockland, Camden and North Anson.
- In this area, any customer who subscribes to a cable tier/package and plugs their cable line directly into the back of their TV will be affected. If you have any TVs in your home that connect directly to the wall, you will need to take action and install a set-top box or a Digital Adapter on those TVs. TVs already connected to a Time Warner Cable set-top box or with a CableCARD™ will not be impacted by this change, and you don't need to do a thing.

When will this happen?

- Time Warner Cable will make this seamless transition in several phases. Currently, Time Warner Cable is launching a marketing and customer outreach campaign to migrate the majority of customers in the pilot market. The final phase will begin in late October, when we begin transitioning channels to exclusively digital format.

What if I don't do anything?

- Any TV connected directly to Time Warner Cable service without a set-top box will eventually lose picture on certain channels it currently receives. If your television has a Digital QAM tuner, you will still be able to receive the Basic channel lineup without a Digital Adapter or set-top box.

How can I get a digital adapter?

- Customers can order an Easy-Install Kit by calling **1-855-GO-DIGITAL** or by visiting www.timewarnercable.com/GoDigital. Customers may also order and pick up Digital Adapters (or Digital Set-Top Boxes) at one of Time Warner Cable's offices in Augusta, Lewiston, Portland, Rockland, Rumford, Windham and Winslow.

What is the difference between a Digital set-top box and a Digital Adapter?

- A Digital set-top box (sometimes known as a digital converter box or digital receiver) processes digital-quality signals and offers access to On Demand programming, our Interactive Program Guide and nearly 50 commercial-free music channels. An Adapter simply provides digital-quality signals.

What channels will be transitioned to an exclusively digital format?

- Channels within the Broadcast Service Tier (BST) Basic and Cable Programming Service Tier (CPST) will be transitioned to an exclusively digital format. These tiers are also known as Basic, Expanded Basic and Standard tiers. All other programming is already provided exclusively in digital format.

Is there an immediate benefit for customers?

- Yes. Basic and Classic/Standard customers will receive more than a dozen additional channels once they connect their Digital Adapter.