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CITY OF AUBURN, MAINE
TAMBRANDS INC.
DEVELOPMENT AND TAX INCREMENT
FINANCING DISTRICT DEVELOPMENT PROGRAM

DATED: March 6, 1998

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ARTICLE I
DEVELOPMENT PROGRAM NARRATIVE

Section 1.01. Introduction.

a. General Description of the District.

Certain property consisting of a portion of Auburn Tax Map No. 2A, Lot 18A, located at Hotel Road and Kittyhawk Avenue in Auburn, Maine is owned by Tambrands Inc. (the "Company"), and has been preliminarily designated as the Tambrands Municipal Development Tax Increment Financing District (the "District") by the City of Auburn, Maine (the "City"). The District consists of a certain portion of the Tambrands manufacturing facility located at Hotel Road and Kittyhawk Avenue in Auburn, Maine. The specific portion of the facility comprising the District is the entire facility at Hotel Road and Kittyhawk Avenue, but excluding all of the existing building and the land thereunder, other than Production Area 3 in the Southwest corner of Building E which is included within the District. A diagram of the District is attached as Exhibit A. The area shaded in red in Exhibit A is excluded from the District. The Development Program described herein is proposed for the purpose of administering the District as a municipal tax increment financing district pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended (the "Development Program"). Upon resolution of the Auburn City Council designating the District and adopting this Development Program, the designation of the District and adoption of the Development Program will immediately become final subject only to approval by the Maine Department of Economic and Community Development ("DECD").

The purpose of the District is (a) to assist the Company with the acquisition and installation of certain machinery and equipment and the expansion of its manufacturing facility

within the District and (b) to finance costs associated with certain economic development and infrastructure improvements within the City (the "Public Improvements").

b. Company Project.

As described above, the District contemplates both Public Improvements and development by the Company. One purpose of the District is to assist the Company in financing the acquisition and installation of manufacturing machinery and equipment, and to enlarge its manufacturing facility in the District (the "Project"). The Project is ongoing and the full extent of the Project has not yet been decided. The Project is currently expected to allow for a major expansion of the Company's manufacturing capacity through a substantial addition of machinery and equipment.

For purposes of this Development Program, and for purposes of calculating captured assessed value, all additions by the Company to its manufacturing machinery and equipment and related assets after April 1, 1996 and located at its manufacturing facility in Auburn, shall be deemed to be in the District on April 1 of each subsequent year until disposed of or moved away from the facility.

During the term of the Development Program, the City will capture 100% of the increase in assessed value in the District, and will retain sixty-five percent (65%) of the retained tax increment revenues from the District for its own use to finance some or all of the estimated costs of Public Improvements. The City will allocate the remaining balance of the retained tax increment revenues from the District to the Company pursuant to a credit enhancement agreement between the City and the Company (the "Credit Enhancement Agreement"), provided that the total amount paid to the Company in any year shall not exceed 35% of the tax increment

for that year, and the aggregate amount paid under the Development Program may not exceed total Project Costs incurred by the Company within five years of the designation of the District by DECD.

These tax increment revenues will be used by the Company either to pay a portion of the capital costs of the Project directly or to assist in paying debt service on monies borrowed by the Company to finance the cost of the Project. The costs so financed will represent only a portion of the Company's Project Costs. All additional costs will be the sole responsibility of the Company. See Section 1.05, "Uses of Private Property," and Section 2.02, "Indebtedness" herein.

c. Public Improvements.

In addition to the Company's Project in the District, the City will use its share of the captured tax increment revenues from the District to finance some or all of the costs of the following types of projects (the "Public Improvements"): (i) to develop new employment opportunities in the City; (ii) to provide for public safety projects; (iii) to fund the City's economic development programs; (iv) to fund environmental improvement programs; and (v) infrastructure improvements, all as permitted under 30-A M.R.S.A. § 5252(8)(B)(11). The City Council finds that each of the specific projects described herein will either directly or indirectly provide or encourage new employment opportunities within the City, encourage and promote economic development that will broaden the City's tax base, and improve the general economy of the City.

The projects currently under consideration to be included as part of the Development Program are identified in Exhibit B attached hereto. The specific public improvement projects to

be financed with the City's portion of the tax increment financing revenues will be approved through subsequent City Council action pursuant to the City's Charter.

The Project and all associated improvements acquired or financed under this Development Program other than the Public Improvements will be located within the District. The proposed District will encompass approximately 40 acres and will be located on the premises of the Company's manufacturing facility in Auburn, Maine.

Section 1.02. Statement of Means and Objectives.

The Company constantly searches for ways to improve its operations in order to remain competitive and to service its markets. The Project represents an investment in the Company's future and is intended to increase the Company's capabilities and is a necessary component of the capital investment needed to ensure adequate capacity and a top-quality product. The Project continues the Company's long-standing goal of capital investment with an eye toward long-term benefits. The Company plans to undertake this Development Program in order to improve its manufacturing efficiency, capabilities, and working environment.

The Company's investment will create additional tax base within the City and help retain employment within the region and will upgrade necessary production equipment to ensure the continued long-term success of the Company in the City. The Project will also assist the Company in expanding its production capabilities by adding incremental production capacity, enhancing cost competitiveness, and enabling it to sustain its operations in Auburn. See Section 1.05 Uses of Private Property.

In summary, the means and objectives of the District are to finance certain Public Improvements intended to promote economic development and expand the tax base of the City

ARTICLE III
PHYSICAL DESCRIPTION

Section 3.01. Description of District.

The District is the 40 acre parcel comprised of a portion of the Company's facility located in Auburn, Maine. The District is delineated on Exhibit A hereto.

Section 3.02. Site Location Map.

Set forth on Exhibit A is a tax map of the City reflecting the approximate location of the District within the City.

ARTICLE IV
MUNICIPAL APPROVALS

Section 4.01. Public Hearing.

Attached hereto as Exhibit H is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. §5253. The Notice was published in the *Lewiston Sun Journal*, a newspaper of general circulation in Auburn on September 22, 1997, a date at least ten (10) days prior to the public hearing. A public hearing was held prior to a City Council Meeting on October 6, 1997.

Section 4.02. Authorizing Votes.

Attached as Exhibit I is a copy of the votes adopted at a City Council Meeting of the City of Auburn at a meeting thereof duly called and held on October 6, 1997 preliminarily designating the District and adopting the Development Program.

ARTICLE V
AGREEMENT REGARDING VALUATION ISSUES

- a. There are certain assumptions regarding valuation and depreciation of assets, which underlie the analysis set forth in this Development Program. The City and the Company

both covenant and agree that the assumptions, analysis and results set forth in this Development Program shall in no way prejudice the rights of either party or be used, in any way, by either party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of the property within the District.

b. In the event of a revaluation of property within the City during the term of the District, the City and the Company agree that they will enter into good faith negotiations to amend the Credit Enhancement Agreement so that the Company and the City receive the benefits contemplated by this Development Program.

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Exhibit A

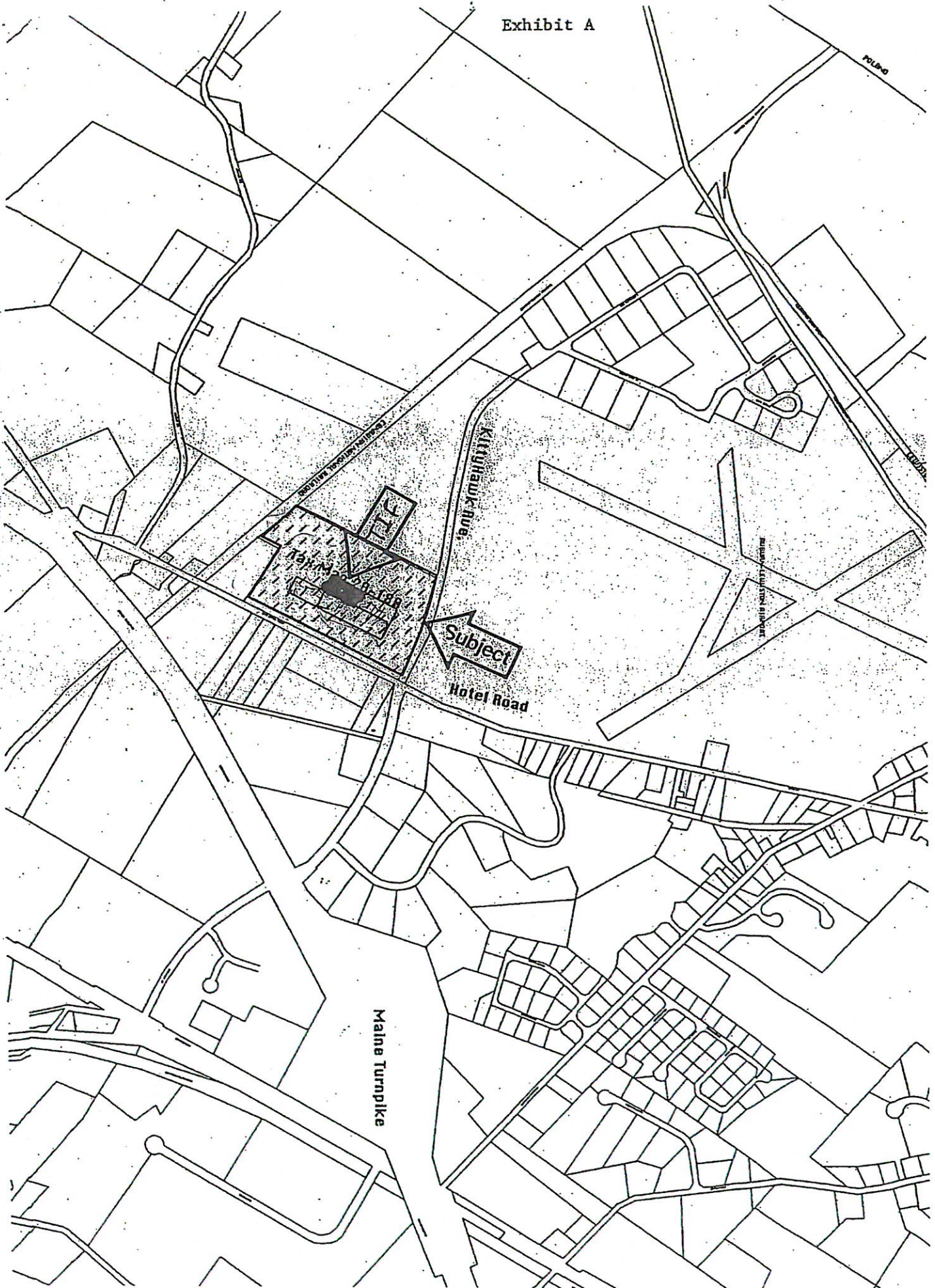


Exhibit B

Potential Economic Development Projects that Would be Funded with Tambrands TIF Revenues

Development Plan

In general, to pursue the goals and objectives contained in the L-A Development Strategy adopted by the Auburn City Council on September 22, 1997.

Project Category:

*Developing new employment
opportunities and funding the City's
economic development program
(30-A M.R.S.A. section 5252(8)(B)(11))*

- ♦ Acquisition of land for a new Industrial Park.
- ♦ Acquisition of land to expand the Maine Intermodal Facility
- ♦ Redevelopment of the downtown business district
- ♦ Marketing the City, the downtown, and industrial parks
- ♦ Expansion of the Municipal Airport
- ♦ Funding the City's share of the Lewiston-Auburn Economic Growth Council (LAEGC). The City of Auburn jointly funds the LAEGC, which plays the lead role in economic development for the two cities.
- ♦ Transit system improvements which will make the system more responsive to employers need for employees' transportation to work

Project Category:

*Fund environmental improvements
(30-A M.R.S.A.
ss 5252(8)(B)(11))*

- ♦ Elimination of Combined Sewer Overflows to permit more economic development

Project Category:

*Public safety
(30-A M.R.S.A.
ss 5252(8)(B)(11))*

- ♦ Purchase of a fire truck equipped to provide adequate fire fighting service to industrial/commercial areas.

Tambrands TIF Projections

Exhibit C

TIF Year	Tax Year	Projected Investment		Cumulative Investment	Projected Increase In Captured Assessed Value			% of CAV Retained		Annual TIF Revenues	Company %	Company Share	City %	City Share
		Real Estate	Personal Property		Real Estate	Personal Property	Total Increase	CAV	Retained					
Base 1997-1998		\$0	\$16,000,000	\$16,000,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 1998-1999			\$8,000,000	\$24,000,000	\$0	\$14,400,000	\$14,400,000	100.0%	100.0%	\$377,280	35%	\$132,048	65%	\$245,232
2 1999-2000			\$5,000,000	\$29,000,000	\$0	\$20,000,000	\$20,000,000	100.0%	100.0%	\$524,000	35%	\$183,400	65%	\$340,600
3 2000-2001			\$4,000,000	\$33,000,000	\$0	\$22,100,000	\$22,100,000	100.0%	100.0%	\$579,020	35%	\$202,657	65%	\$376,363
4 2001-2002			\$3,000,000	\$36,000,000	\$0	\$22,800,000	\$22,800,000	100.0%	100.0%	\$597,360	35%	\$209,076	65%	\$388,284
5 2002-2003		\$0	\$0	\$36,000,000	\$0	\$22,200,000	\$22,200,000	100.0%	100.0%	\$581,640	35%	\$203,574	65%	\$378,066
6 2003-2004		\$0	\$0	\$36,000,000	\$0	\$18,600,000	\$18,600,000	100.0%	100.0%	\$487,320	35%	\$170,562	65%	\$316,758
7 2004-2005		\$0	\$0	\$36,000,000	\$0	\$15,000,000	\$15,000,000	100.0%	100.0%	\$393,000	35%	\$137,550	65%	\$255,450
8 2005-2006		\$0	\$0	\$36,000,000	\$0	\$12,760,000	\$12,760,000	100.0%	100.0%	\$334,312	35%	\$117,009	65%	\$217,303
9 2006-2007		\$0	\$0	\$36,000,000	\$0	\$11,440,000	\$11,440,000	100.0%	100.0%	\$299,728	35%	\$104,905	65%	\$194,823
10 2007-2008		\$0	\$0	\$36,000,000	\$0	\$10,665,000	\$10,665,000	100.0%	100.0%	\$279,423	35%	\$97,798	65%	\$181,625
11 2008-2009		\$0	\$0	\$36,000,000	\$0	\$10,305,000	\$10,305,000	100.0%	100.0%	\$269,991	35%	\$94,497	65%	\$175,494
12 2009-2010		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
13 2010-2011		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
14 2011-2012		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
15 2012-2013		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
16 2013-2014		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
17 2014-2015		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
18 2015-2016		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
19 2016-2017		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
20 2017-2018		\$0	\$0	\$36,000,000	\$0	\$10,260,000	\$10,260,000	100.0%	100.0%	\$268,812	35%	\$94,084	65%	\$174,728
											35%	\$2,499,834	65%	\$4,642,548
											35%	\$124,992	65%	\$232,127
											35%	\$1,373,938	65%	\$2,551,599

ASSUMPTIONS

Years in projection 20
 Mill Rate (per Thousand) 26.2
 Present Value Factor 8%
 Property Appreciation and Depreciation based on Discussions with Town Assessor

Tambrands TIF Projections

Exhibit C

Total Tax Shift	Education Shift	Revenue Sharing Shift	County Tax Shift
n/a	n/a	n/a	n/a
\$93,831	\$51,610	\$29,211	\$13,011
\$264,311	\$204,930	\$40,349	\$19,032
\$298,178	\$231,821	\$44,495	\$21,862
\$310,103	\$240,967	\$45,873	\$23,263
\$310,745	\$242,437	\$44,692	\$23,616
\$284,660	\$226,630	\$37,576	\$20,454
\$248,938	\$201,522	\$30,410	\$17,007
\$221,334	\$180,258	\$25,926	\$15,151
\$205,443	\$167,735	\$23,274	\$14,434
\$195,883	\$160,532	\$21,714	\$13,638
\$191,316	\$156,862	\$20,988	\$13,466
\$190,046	\$155,153	\$20,897	\$13,995
\$154,712	\$119,269	\$20,897	\$14,546
\$118,042	\$82,027	\$20,897	\$15,118
\$118,637	\$82,027	\$20,897	\$15,713
\$119,255	\$82,027	\$20,897	\$16,331
\$119,897	\$82,027	\$20,897	\$16,973
\$120,564	\$82,027	\$20,897	\$17,640
\$121,258	\$82,027	\$20,897	\$18,334
\$121,979	\$82,027	\$20,897	\$19,055
\$3,809,134	\$2,913,914	\$552,582	\$342,638
\$190,457	\$145,696	\$27,629	\$17,132
\$2,070,983	\$1,595,455	\$303,215	\$172,313

TAMBRANDS MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM

EXHIBIT D

1. Total acreage of municipality:	41,420 acres
2. Total acreage of proposed municipal tax increment financing district	40 acres
3. Percentage of total acreage in proposed municipal tax increment financing district: (Line 1 divided by Line 3, cannot exceed 2%)	.097%
4. Total acreage of all existing and proposed municipal tax increment financing districts in the municipality:	251.9 acres
5. Percentage of total acreage in all existing and proposed municipal tax increment financing districts: (Line 4 divided by Line 1, cannot exceed 5%)	.608%
6. Total acreage of all real property in the proposed tax increment financing district that is:	
(a) Blighted: Line 6.a divided by Line 2:	0 acres 0%
(b) In need of rehabilitation or conversion: Line 6.b divided by Line 2:	0 acres 0%
(c) Suitable for industrial sites: Line 6.c divided by Line 2:	40 acres 100%
The percentage resulting from either 6.a, 6.b or 6.c must be equal or exceed 25%	

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**TAMBRANDS MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM**

EXHIBIT E

**TAX INCREMENT FINANCING DISTRICTS APPROVED
BY THE STATE OF MAINE**

MUNICIPALITY	DATE APPROVED	MUNICIPAL DEBT AMOUNT	DEBT TERM	PROJECT DESCRIPTION
Saco York County	06/05/85	\$1,200,000	15 years	Sewer treatment plant and pump station
Rockland Knox County	06/05/85*	\$55,000	3 years	Van Baalen Pacific Expansion: fire protection booster pump
Gardiner Kennebec County	08/29/85	\$450,000	10 years	Associated Grocers Warehouse: water main and pump station
Scarborough Cumberland County	01/24/86	\$722,905	20 years	City center facility
Brewer Penobscot County	04/09/86	\$1,750,000	15 years	Lemforder Z/F: construction of building and purchase of machinery and equipment
Caribou Aroostook County	04/17/86	\$300,000	10 years	Caribou Motor Inn: sewer line extension
Scarborough Cumberland County	04/17/86	\$4,455,000	20 years	Eight Corners Development Area (Payne Road): sewer/water
Saco York County	12/31/86	\$3,000,000	15 years	Relocation of utility lines and dredging of Saco River
South Portland Cumberland County	03/31/87	\$0***	15 years	Sable Oaks Subdivision: widen public road
Wilton Franklin County	10/23/87	\$110,000	20 years	Sewer and water line extensions and pump station
Bath Sagadahoc County	07/05/88**	\$5,000,000	20 years	Office/retail building, parking
Pittsfield Somerset County	08/23/88 amended 9/11/95	\$110,000	3 years	Land purchase
Brunswick Cumberland County	03/21/89	\$1,500,000	20 years	Sewer line extension
Auburn Androscoggin County	05/12/89	\$500,000	20 years	Sewer and water line extension, roadway construction
Freeport Cumberland County	08/16/89	\$1,100,000	20 years	Sewer line and roadway improvements
Topsham Sagadahoc County	05/12/89	\$1,675,000	20 years	Numerous infrastructure improvements
Auburn Androscoggin County	11/01/89	\$7,309,000	20 years	Land acquisition, street, site, water, sewer improvements
Brewer Penobscot County	11/29/89	\$1,000,000	7 years	Land, building, and machinery and equipment acquisition
Augusta Kennebec County	03/19/90	\$5,000,000	18 years	Numerous infrastructure improvements
Old Orchard Beach York County	03/26/90	\$3,391,000	20 years	Sewer and downCity improvements
Wilton Franklin County	07/20/90	\$900,000	10 years	Purchase of machinery and equipment
Old City Penobscot County	11/02/90**	\$39,390,000	22 years	James River Corporation: paper machine purchase
Presque Isle Penobscot County	4/6/92; amended 6/15/92	\$452,000	3 years	Aroostook County Mall; rail relocation and Maysville St. reconstruction
Waterville Kennebec County	09/30/92 amended 12/19/94	\$500,000	15 years 18 years	Build Wal-Mart; widen/construct road, traffic signal Increase CAV to 80%; extend term to 18 years; establish downCity job retention fund
Auburn Androscoggin County	02/23/93	\$2,000,000	20 years	Stone & Webster infrastructure

MUNICIPALITY	DATE APPROVED	MUNICIPAL DEBT AMOUNT	DEBT TERM	PROJECT DESCRIPTION
Lewiston Androscoggin County	06/03/93	\$3,628,231	15 years	Lewiston Raceways Development: road/utilities
Lisbon Androscoggin County	01/24/94	\$0***	20 years	Dingley Press: expansion; equipment
Standish Cumberland County	01/24/94**	\$500,000	20 years	Cargill Park: boat ramp, City park
North Berwick York County	03/14/94	\$600,000	20 years	Hussey Seating: expansion and equipment
North Berwick York County	03/14/94	\$0***	20 years	Pratt & Whitney: equipment purchase
Pittsfield Somerset County	03/30/94; amended 9/14/95	\$0***	12 years	E.G. Morse Building: acquisition, rehabilitation and lease of building
Portland Cumberland County	03/30/94	\$0***	20 years	Nichols-Portland: building and equipment
South Portland Cumberland County	03/30/94 amended 11/06/95	\$4,000,000	10 years	National Semiconductor: expansion and capital equipment; municipal sewer
Sanford York County	03/30/94	\$0***	10 years	Global Zero: plant expansion
Houlton Aroostook County	05/11/94	\$159,000; additional debt to be incurred in 1995	11 years	Smith & Wesson: plant expansion
Houlton Aroostook County	05/11/94		10 years	Smith & Wesson: equipment purchase
Bangor Penobscot County	07/11/94	\$0***	20 years	B.I.A./General Electric TIF
Portland Cumberland County	08/02/94	\$0***	11 years	Longfellow, Inc.
Portland Cumberland County	08/31/94	\$0***	15 years	UNUM: building expansion
Bangor Penobscot County	11/21/94	\$0***	10 years	B.I.A./General Electric STIF
Windham Cumberland County	12/29/94	\$0***	5 years	Wal-Mart/Shaw's complex: funding of extensive groundwater studies in the district
Sanford York County	12/29/94	\$0***	15 years	Millrock Corp.: expansion TIF and STIF
Bangor Penobscot County	02/28/95	\$600,000	20 years	Development of Waterworks site
Guilford Piscataquis County	02/28/95 amended 10/25/95	\$7,100,000	20 years	Guilford of Maine, Inc.: building construction; M&E
Brunswick Cumberland County	03/15/95	\$1,500,000	20 years	Building construction for Brunswick Technologies
Rockland Knox County	03/23/95	\$0***	15 years	Van Baalen: warehouse expansion
Westbrook Cumberland County	04/25/95	\$0***	15 years	Acadia Insurance Company and Glassworld: building and equipment
Madison Somerset County	05/10/95	\$0***	5 years	Madison Paper Industries: building expansion and grinder purchase
Biddeford York County	06/22/95	\$0***	20 years	Biddeford Industrial Park; expansion of Volk Packaging and other businesses
Lewiston Androscoggin County	06/30/95	\$950,000	15 years	Montello Heights Adult Living Complex \$750,000 Bond issue
Bangor Penobscot County	06/30/95	\$975,000	20 years	Main Street Development District: construction of Shaw's supermarket and related redevelopment costs
Portland Cumberland County	08/08/95	\$0***	15 years	Auto Europe: renovation of Galt Block on Commercial Street
Portland Kennebec County	09/13/95	\$0***	20 years	Scott Paper Co.; \$47M upgrade of recycled fiber facility, paper machine and tissue converting equipment
3 districts Biddeford York County	10/24/95	\$0***	20 years	Airport Industrial Park - Atlantic Precision Products. CEA. 75% CAV.

MUNICIPALITY	DATE APPROVED	MUNICIPAL DEBT AMOUNT	DEBT TERM	PROJECT DESCRIPTION
Biddeford York County	10/24/95	\$0***	20 years	Airport Industrial Park - Soleras Ltd. CEA. 75% CAV years 1-20, 50% CAV years 11-20
Jay Franklin County 17 Districts	10/30/95	\$0***	20 years	International Paper; \$304 M paper machine upgrade
South Portland Cumberland County	11/20/95	\$0***	15 years	National Semiconductor, \$986 M plant expansion and equipment acquisition over 15 year period
Westbrook Cumberland County	01/17/96	\$0***	20 years	Lanco Assembly Systems: building expansion
Westbrook Cumberland County	01/17/96	\$0***	20 years	Jordan's Meats: warehouse expansion
Sanford York County	02/27/96	\$0***	15 years	Rainbow Rugs: building expansion and equipment acquisition; 95% CAV years 1-5; 90% CAV years 6-10; 85% CAV years 11-15
Brewer Penobscot County	03/29/96	\$0***	5 years	CMJ, Inc. CEA; 100% CAV Years 1-4; 29% CAV Year 5
Brewer Penobscot County	03/29/96	\$0***	20 years	Brewer Automotive Components: plant expansion; equipment acquisition
Jay Androscoggin County	03/29/96	\$0***	20 years	Otis Specialty Papers
Livermore Falls Androscoggin County	03/29/96	\$0***	20 years	Otis Specialty Papers
Mars Hill Aroostook	03/23/96	\$1,400,000	15 years	Fresh Way, Inc.; 100% CAV
Topsham Sagadahoc	06/26/96	\$0***	20 years	Brunswick-Topsham Bypass/Highlands CEA; 60% CAV. Max. estimated increase in assessed value: \$13,400,000 (beginning year 5)
Winslow Kennebec	10/04/96	\$6,000,000	20 years	Crowe Rope Industries acquisition of site and expansion. 100% CAV allocated first to debt service, with any remainder to Crowe under CEA. Max. CAV: \$9,000,000
Waterville Kennebec	10/23/96	\$0***	20 years	DownCity redevelopment Project. CEA to asst owners renovate/improve retail properties. CAV: 75% years 1-5; 50% years 6-20. Max. estimate increased assessed value: \$5,260,000 (years 3-20)
South Portland Cumberland	01/27/97	\$0***	15 years	Cummings Road Business Park; 50% CAV

*Designations expired

**Not funded

***Credit enhancement (no municipal debt)

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**TAMBRANDS MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM**

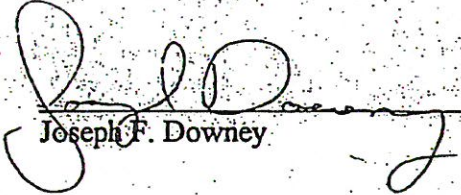
EXHIBIT F

**CERTIFICATE OF
CITY ASSESSOR
CITY OF AUBURN, MAINE**

The undersigned City Assessor for the City of Auburn, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. SS5254 that the assessed value of the Tambrands Municipal Development Tax Increment Financing District, as described in the Development Program to which this Certificate is included, was \$1,702,000 as of March 31, 1997.

IN WITNESS WHEREOF, this Certificate has been executed as of this 5 day of March, 1998.

CITY ASSESSOR


Joseph F. Downey

**TAMBRANDS MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM**

EXHIBIT G

**TAX INCREMENT FINANCING
TAX SHIFT FORMULAS**

One element which must be included in any application for designation as a tax increment financing district is the calculation of tax shifts which result from the creation of the district. These tax shifts are noted in three basic formulae which use local property tax valuation as a basis for calculation. These three formulas are:

- State Aid to Education
- Municipal Share of County Taxes
- Revenue Sharing

The following is the process used to derive each of these tax shifts.

Education Tax Shift. Adjust the current state education subsidy formula to include the annual Captured Assessed Value. The education subsidy formula is the projected over the life of the District using agreed-upon assumptions. The result will be an estimated annual Education Tax Shift for the proposed district.

County Tax Shift. In order to produce this result, you will have to get information from the State Bureau of Taxation and your county government. First obtain the most recent County State Valuation from the State Bureau of Taxation. Determine the average Captured Assessed Value for the District over the life of the project. Calculate the following two percentages. First, divide the current state local valuation plus the averaged Captured Assessed Value by the Current State County Valuation, plus the averaged Captured Assessed Value. This gives the City's county tax percentage without sheltering the Project. Second, divide the current City State Valuation by the Current State County Valuation. This gives the City's county tax percentage if the Project is sheltered.

Next, determine the estimated average annual county tax over the life of the District. To arrive at this number, get the County Tax for the county for the last five years. Determine the average change in County Tax for the last five years, and project it to the middle of the District's life. For example, if your District will be active for twenty (20) years and County Taxes have risen an average of five percent (5%), you should project that five percent (5%) increase to year ten of the District, determining an average projected tax payment for the life of the project. Multiply this projected tax by the two percentages developed above, and the difference will be the annual County Tax Shift.

Here it is represented as a formula:

1.
$$\frac{(\text{Current State Local Valuation} + \text{Captured Assessed Value})}{\text{Current State County Valuation} + \text{Captured Assessed Value}} \times \text{Estimated Average}$$

$$\begin{array}{rcl}
 & (\text{Captured Assessed Value} + \text{Current State County Valuation}) & \text{Annual County Tax} \\
 2. & \frac{(\text{Current State Local Valuation})}{(\text{Current State County Valuation})} \times & \text{Estimated Average Annual County Tax}
 \end{array}$$

Revenue Sharing Shifts. The first step in determining the Revenue Sharing Tax Shifts will be to get the total Municipal Revenue Sharing Amount from the State Treasurer. From there, you must go through five simple steps outlined in the following formula:

STEP ONE

$$\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation}} = \text{Current Factor}$$

STEP TWO

$$\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation} + \text{Captured Assessed Value}} = \text{Adjusted Factor}$$

STEP THREE

$$\frac{\text{Current Factor}}{\text{Adjusted Factor}} = 1.X$$

STEP FOUR

$$1.X - 1.0 = .X$$

STEP FIVE

$$.X (\text{Total Municipal Revenue Sharing Amount}) = \text{Revenue Sharing Shift}$$

**TAMBRANDS MUNICIPAL DEVELOPMENT AND
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EXHIBIT H

CITY OF AUBURN

PUBLIC NOTICE

Notice is hereby given that the City of Auburn, Maine will hold a public hearing on October 6, 1997 at 7:00 p.m. at the City Council Chambers in the Auburn City Building for purposes of receiving public comments on the designation of its proposed Tambrands Municipal Development and Tax Increment Financing District and the adoption of a development program for the said Municipal Development and Tax Increment Financing District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed Municipal Development and Tax Increment Financing District consists of certain property owned by Tambrands, Inc. and located at Hotel Road and Kittyhawk Avenue in Auburn, Maine.

A copy of the proposed development program for the district will be on file with the City Clerk and may reviewed at the offices of the City Clerk 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.

EXHIBIT I

City of Auburn

City Council, Auburn, Maine

Date: October 6, 1997

TITLE: RESOLVE: Authorizing the City Manager to Submit the Tambrands Municipal Development and Tax Increment Financing District Development Plan (TIF #4) to the State Department of Economic and Community Development.

WHEREAS, the City of Auburn, Maine ("City") is considering whether to designate the Tambrands Municipal Development and Tax Increment Financing District and adopt the Development Program for the District presented to the City Council, designation and adoption to be pursuant to the following terms and provisions; and

WHEREAS, the City is authorized pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, to designate a specified area within the City as a Municipal Development and Tax Increment Financing District (the "District") and to adopt a Development Program for such District; and

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

WHEREAS, Tambrands Inc. intends to make certain improvements to its manufacturing facility in the proposed District; and

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

WHEREAS, the expansion will help to provide continued employment for the citizens of Auburn and the surrounding region, improve and broaden the tax base in the City, and improve the economy of the City and the State of Maine; and

WHEREAS, the Public Improvements contemplated by the Development Program will enable the City to expand its tax base, and to improve the economic environment within the City in order to attract additional businesses to the City; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of manufacturing facilities through the establishment of Municipal Development and Tax Increment Financing Districts in accordance with the provisions of Chapter 207 of Title 30-A; and

WHEREAS, on October 6, 1997 the City will hold a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5253, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the Tambrands Municipal Development and Tax Increment Financing District and adopt a Development Program for such District; and

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

NOW, THEREFORE, BE IT HEREBY ORDERED BY THE CITY COUNCIL OF THE CITY OF AUBURN:

Section 1. The City 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 suitable for industrial sites as defined in 30-A M.R.S.A. 5253; and

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

c. The total equalized value of taxable property within the District as of April 1, 1997 together with the equalized value of taxable property in other existing districts measured as of the April 1 preceding the designation of each such district, does not exceed five percent (5 %) of the total equalized value of taxable property within the City as of the date hereof; and

d. The aggregate value of municipal indebtedness financed by the proceeds from tax increment financing districts within Androscoggin County, including the proposed District, does not exceed \$50 million; and

e. The City expects that the Development Program within the District will be completed within five (5) years of the designation of the District by the Department of Economic and Community Development; and

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

g. The proposed District and Development Program will make a contribution to the economic growth or well-being of the City. The Public Improvements contemplated by the Development Program will enable the City to improve its economic climate and construct improvements and other collateral economic inducements to attract new businesses to the City.

Section 2. Pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates the Tambrands Municipal Development and Tax Increment Financing District, designated and described as more particularly set forth in the "Tambrands Municipal Development and Tax Increment Financing District Development Program" presented to the City Council 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. § 5254, the percentage of captured assessed value to be retained in accordance with the Development Program is hereby established as set forth in the Development Program.

Section 4. The City Manager be, and hereby 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. § 5253(1)(F).

Section 5. The City Manager be and hereby is authorized and empowered, at her discretion, from time to time, to make such technical revisions to the Development Program for the District as may be 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 City of approval of the designation of the District in adoption of the Development Program by the Department of Economic and Community Development, without requirements of further action by the City, the City Council, or any other party.

Section 7. The City Manager be and hereby is authorized and directed to enter into the Credit Enhancement Agreement contemplated by the Development Program, and in the name of and on behalf of the City, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the City Manager may approve, such approval to be conclusively evidenced by such execution thereof.

Motion for acceptance: Normand W. Guay
6 Yeas, No Nays
Action by the City Council: PASSED

Seconded by: Joseph H. Theriault

Date October 6, 1997

ATTEST: *Mary Ann Thayer*
City Clerk

