

TAX INCREMENT FINANCING AGREEMENT
BY AND BETWEEN
THE TOWN OF LITTLETON,
and
PATRIOT BEVERAGE, LLC

This AGREEMENT is made this 13 day of ^{December}~~November~~, 2016 by and between the TOWN OF LITTLETON, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, with a principal place of business at 37 Shattuck Street, Littleton, MA 01460 (the "TOWN") and PATRIOT BEVERAGE, LLC, a limited liability company authorized to do business in Massachusetts with a principal place of business at 20 Harvard Road, Littleton, MA 01460 (the "COMPANY").

WITNESSETH

WHEREAS the PROPERTY OWNER owns approximately 23.62 acres of land known and numbered as 3 and 20 Harvard Road, described by the Littleton Assessing Department as Parcel ID numbers U 44 6 (20 Harvard Road) and U 44 20 (3 Harvard Road) (the "PROPERTY"), a map of which is attached hereto as Exhibit A; and

WHEREAS the COMPANY intends to construct on the PROPERTY an estimated [NUMBER] square foot facility for the COMPANY to use as a bottling plant (the "PROJECT"); and

WHEREAS the PROPERTY is located within the boundaries of the 495 Regional Technology Center Economic Target Area (the "ETA") as designated by the Massachusetts Economic Assistance Coordinating Council (the "EACC") pursuant to Chapter 23A, Section 3D(a)(ii)(J) of the General Laws; and

WHEREAS, through the PROJECT, the COMPANY is expected to create 50 new, permanent, full-time jobs ("NEW JOBS"); and

WHEREAS the PROJECT is expected to result in an estimated investment of approximately \$22,750,000 paid for by the PROPERTY OWNER; and

WHEREAS the COMPANY is seeking a Tax Increment Financing Exemption from the TOWN for all development related to the PROJECT, in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws; and

WHEREAS, the COMPANY intends to apply for status as a Certified Project under the Massachusetts Economic Development Incentive Program; and

WHEREAS the TOWN strongly supports increased economic development in the TOWN, to expand commercial and industrial activity within the TOWN, and to develop a healthy economy and stronger tax base; and

WHEREAS the PROJECT furthers the economic development goals and the criteria established for the ETA; and

WHEREAS, by vote at a Special Town Meeting duly called and held on November 16, 2016, the Board of Selectmen of the Town of Littleton were duly authorized to adopt a Tax Increment Financing Agreement for the PROPERTY.

NOW THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, each to the other paid, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. The Board of Selectmen of the Town of Littleton intends to execute this AGREEMENT on behalf of the TOWN. Should the AGREEMENT fail to be approved by the Massachusetts Economic Assistance Coordinating Council, it will not be binding on any of the parties.
2. This Agreement provides a 7-year Tax Increment Financing Exemption (the "EXEMPTION"), to commence on July 1, 2017 and to end on June 30, 2024, which shall be applicable to the new incremental value of real property associated with the PROJECT.
3. The EXEMPTION formula for the PROPERTY shall be calculated as prescribed by Chapter 23A, Section 3E; Chapter 40, Section 59 and Chapter 59, Section 5, Clause 51st of the Massachusetts General Laws. The EXEMPTION formula shall apply to the incremental increase in the assessed valuation of the PROPERTY due to the PROJECT (i.e. assessed valuation of the Property in excess of the base valuation of the Property's underlying land), excluding parking, landscaping and accessory facilities associated therewith (the "REAL ESTATE INCREMENT").
 - a. The parties hereby agree that the base value of the PROPERTY is \$4,506,900.
 - b. The base valuation shall be adjusted annually by an adjustment factor, which reflects increased commercial and industrial property values within the community, as provided in Chapter 40, Section 59 of the General Laws.
 - c. The estimated REAL ESTATE INCREMENT created by the PROJECT, \$8,112,400, is the amount eligible for exemption from real estate taxation.
 - d. This AGREEMENT provides EXEMPTIONS from real estate taxation on only the REAL ESTATE INCREMENT, subject to the requirements described below, commencing on July 1, 2017 according to the following "TIF SCHEDULE":

Year 1	10% exemption from real estate taxation
--------	---

Year 2	10% exemption from real estate taxation
Year 3	7.5% exemption from real estate taxation
Year 4	7.5% exemption from real estate taxation
Year 5	5% exemption from real estate taxation
Year 6	5% exemption from real estate taxation
Year 7	5% exemption from real estate taxation

4. The TOWN is granting the EXEMPTION in consideration of the respective commitments of the COMPANY to:
 - a. COMPANY to create a minimum of 50 NEW JOBS within 7 years after the commencement date described in Section 2 above. For the purposes of this AGREEMENT, a NEW JOB shall be defined to include only permanent, full-time jobs newly created in the Commonwealth.
 - b. COMPANY to consider in its hiring of new employees, subject to applicable law and assuming equal qualification, the hiring of qualified residents of the TOWN. In order to facilitate such employment, the COMPANY shall advertise in local newspapers and online job sites encouraging such qualified residents to apply for employment with the COMPANY whenever advertisements are otherwise placed by the COMPANY for employment at the facility. The COMPANY, however, will retain all authority regarding hiring decisions and recruitment activities.
 - c. COMPANY to retain jobs as necessary to maintain a total number of employees at the PROJECT equal to the sum of the JOBS RETAINED and the NEW JOBS created in the prior calendar years.
 - d. PROPERTY OWNER to invest an approximately \$12 million in soft and hard construction and development costs.
 - e. PROPERTY OWNER to explore opportunities, subject to applicable law and assuming equal qualification, to hire qualified local contractors, vendors and suppliers, in connection with the construction and operation of the PROJECT. The COMPANY, however, will retain all authority regarding the hiring of contractors, vendors and suppliers.

5. The COMPANY commits to implement its job creation and retention obligations set forth in this Agreement according to the following annual schedule:

Year 1:	20 NEW JOBS created
Year 2:	8 NEW JOBS created and 100 % of JOBS RETAINED
Year 3:	8 NEW JOBS created and 100 % of JOBS RETAINED
Year 4:	8 NEW JOBS created and 100 % of JOBS RETAINED
Year 5:	6 NEW JOBS created and 100 % of JOBS RETAINED
Year 6:	100 % of JOBS RETAINED
Year 7:	100 % of JOBS RETAINED
By end of term:	50 NEW JOBS created and 100 % of JOBS RETAINED

For the purposes of determining if the COMPANY has met an obligation to create a certain number of NEW JOBS in a particular year, the necessary NEW JOBS and the NEW JOBS created shall both be counted on a cumulative basis from the beginning of the term of the AGREEMENT.

6. The COMPANY's job retention and creation plans are outlined in the Employment and Job Creation section of the Certified Project application submitted to the state by the COMPANY in connection with its request for a TIF exemption. The COMPANY agrees to submit annual reports on job creation, retention and new investment to the State Economic Assistance Coordinating Council and TOWN Board of Assessors on or before February 28 of each year, with the first report due to the Town on February 28, 2018, for the duration of the Tax Increment Financing Exemption. These reports shall include the number of NEW JOBS created at the PROJECT, the number of JOBS RETAINED to the PROJECT, the number of people hired from within the ETA, and the value of PROJECT investments for the annual time period ending December 31 and on a cumulative basis. The submitted value of PROJECT investments shall inform the Town in their valuation of those investments, with the Town retaining all rights to reach an independent assessment in due course.
7. Should the COMPANY fail to submit a required annual report, or should the annual report indicate that the COMPANY has failed to meet 100% of the JOBS RETAINED requirements and 100% of the NEW JOBS created requirements listed in the schedule in Section 5 on a cumulative basis, the

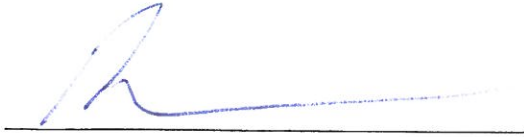
exemption from real property taxation shall be zero percent (0%) for the subsequent fiscal year, and shall remain at 0% until the COMPANY is able to submit evidence demonstrating it has come to meet the requirements of Section 5 schedule on a cumulative basis.

8. Should the COMPANY be in default of this AGREEMENT, the TOWN, acting through its Board of Selectmen, may, at its sole discretion, after providing notice to the COMPANY, together with providing the opportunity to cure as described in this Section, notify the EACC and/or take action to request decertification of the project by the EACC. Prior to any decertification proceeding, however, the COMPANY shall have the opportunity to cure, correct or remedy its default. Upon receiving written notice of such a default from the TOWN, the COMPANY shall have 30 days to respond to the Town regarding any alleged default, and shall complete any necessary cure, correction or remedy within 120 days of the receipt of such written notice, or, with respect to defaults that cannot be remedied within such 120-day period, within such additional period of time as is required to reasonably remedy such default, provided that the COMPANY exercises due diligence in the remedying of such default. Should the COMPANY opt not to cure the default, the COMPANY agrees that it will not oppose any request for decertification prospectively, commencing with the first fiscal year in which the PROJECT is decertified, or if such benefits have already been received by the COMPANY for the fiscal year in which the PROJECT has been decertified, commencing as of the fiscal year immediately following that fiscal year. Nothing in this Section shall preclude the TOWN from also seeking recoupment from the COMPANY of the value of prior economic benefits granted by the TOWN under this AGREEMENT, as described in 402 CMR 2.16(4).
11. This AGREEMENT is being executed simultaneously with a Host Community Agreement between the TOWN and the COMPANY (the "HCA"). Application of the tax exemptions in this AGREEMENT shall be contingent upon the COMPANY satisfying all obligations set forth in the HCA.
12. If and to the extent that either party is prevented from performing its obligations hereunder by an event of *force majeure*, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties instead shall negotiate in good faith with respect to appropriate modifications to the terms hereof. For purposes of this AGREEMENT, the term *force majeure* shall mean the supervening causes described here, each of which is beyond the reasonable control of the affected party: acts of God, fire, earthquake, floods, explosion, actions of the elements, war, terrorism, riots, mob violence, a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, laws or orders of governmental or military authorities, or any other cause similar to the foregoing, not within the control of such party obligated to perform such obligation.

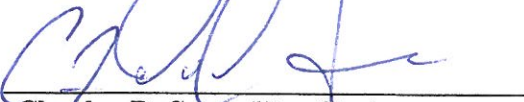
13. The COMPANY shall give written notice to the TOWN at least 30 days prior to any relocation of operations from the PROPERTY, or of any transfer of its leasehold on the PROPERTY or its business to any other entity; provided, however, that, if the Company determines in good faith that such notice cannot be given 30 days in advance because of the requirements of securities laws or related regulations, or any contractual, regulatory, or other similar types of obligations or prohibitions, such notice shall be given promptly after such prohibitions no longer apply. Such notice shall not operate to terminate any other obligation set forth in this AGREEMENT.
14. Pursuant to 760 C.M.R. 22.05(8)(d), this AGREEMENT shall be binding upon the COMPANY, their successors, assigns, the PROPERTY OWNER and subsequent owner of the PROPERTY.
15. If any provision of this AGREEMENT shall be found invalid for any reason, such invalidity shall be construed as narrowly as possible and the balance of the contract shall be deemed to be amended to the minimum extent necessary to provide to the parties substantially the benefits set forth in this AGREEMENT.

AGREED TO:

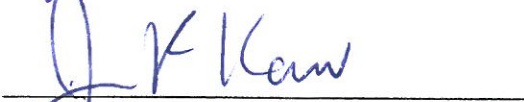
TOWN OF LITTLETON
BY ITS BOARD OF SELECTMEN



Melissa Hebert, Chairman



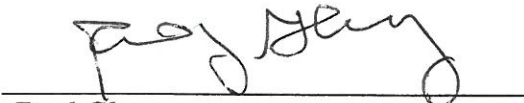
Charles DeCoste, Vice Chairman



James Karr, Clerk



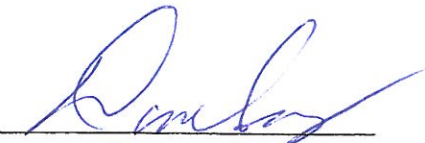
Joseph Knox



Paul Glavey

12/13/16
Date

PATRIOT BEVERAGE, LLC

By: 

Name: Dan Gray
Title: General Manager

Dec 13, 2016
Date