

Special Tax Assessment Agreement

Town of Ware, Massachusetts

and

G&G Medical Products, LLC

This Agreement is made this ____ day of _____ 2015, by and between the TOWN OF WARE, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at Town Hall, 126 Main Street, Ware, Massachusetts, 01082, acting through its Board of Selectmen, (hereinafter called “the TOWN”) and, G&G Medical Products, LLC with its principal place of business at 6 East Main Street, Ware MA 01082, acting through its President, Bruno A. Basile, (hereinafter called “G&G”).

WHEREAS, G&G owns certain real estate located at 6 East Main Street, a.k.a. parcel 57-0-112 on the Assessor’s Tax Map, 2015 (hereinafter referred to as “the PROPERTY”, and G&G will improve the PROPERTY and wishes to obtain certain exemptions from property taxation from the TOWN on the investment in the PROPERTY in order to benefit G&G; and

WHEREAS, G&G intends to expand and maintain its operations at the PROPERTY; and

WHEREAS, the TOWN is willing to grant said exemption from property taxes in return for a guarantee of capital investment in the PROPERTY by G&G and providing employment opportunities for workers within the Ware River Valley Regional Economic Target Area by G&G;

NOW, THEREFORE, in consideration of mutual promises contained herein, the parties do mutually agree as follows:

G&G’s OBLIGATIONS:

1. G&G will have made real estate and business improvements at a cost of approximately \$400,000 to the PROPERTY by the end of 2021, to include at minimum the replacement of windows, façade improvements to enhance the appearance of the building, particularly where old window openings have been closed in with cement blocks, repairs to the roof, and begin removal of the deteriorated structures on the PROPERTY. This shall include, in cumulative totals, not less than \$150,000 by the end of 2016, not less than \$200,000 by the end of 2017, not less than \$250,000 by the end of 2018, not less than \$300,000 by the end of 2019, not less than \$350,000 by the end of 2020, and not less than \$400,000 by the end of 2021.

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2. G&G shall maintain its operation, i.e. manufacture of disposable absorbent products for the health care industry at the PROPERTY for at least a ten year term from the date of execution of this agreement.
 3. G&G, its successors, and assigns agree that any benefits received from the TOWN as tax exemptions under this agreement shall benefit G&G, who will use all of said benefit to improve the PROPERTY, and to establish and maintain the manufacturing lines.
 4. G&G will create a total of seventy-one (71) new full time equivalent (FTE) jobs at this PROPERTY over the life of this agreement. The agreed upon job creation schedule is as follows: 6 jobs in 2015, 10 jobs in 2016, 15 jobs in 2017, and 20 jobs in each of 2018 and 2019.
 5. G&G agrees to continuously operate a business at this PROPERTY in Ware and to maintain a minimum work force equal to 6 FTE employees in 2015, 16 FTE employees in 2016, 31 FTE employees in 2017, 51 FTE employees in 2018, 71 FTE employees in 2019, and furthermore maintaining a minimum of 71 FTE employees from 2020 until this Special Tax Assessment (STA) is no longer in effect.
 6. G&G shall make reasonable efforts to hire qualified residents of the Ware River Valley Regional ETA for any employment opportunities which become available during the period of this Agreement.
 7. G&G shall further adopt as its policy to cooperate with the Franklin Hampshire Regional Employment Board, the Executive Office of Labor and Workforce Development of the Commonwealth of Massachusetts, Pathfinder Vocational Technical High School, Ware High School and other available resources within the eight Towns of the Ware River Valley Regional ETA to train and recruit residents of Ware, Palmer, Monson, West Brookfield, Hardwick, North Brookfield, Belchertown, and Warren, whenever feasible.
 8. G&G shall make all good faith efforts to use contractors from the Ware River Valley Regional ETA for any renovations or construction on the PROPERTY, and to use local contractors which have registered apprenticeship programs with the State to encourage the training of a skilled workforce.
 9. G&G shall cooperate with monitoring requirements by supplying information on job creation and investment on an annual basis as requested by the TOWN, the Ware River Valley Regional ETA, or the Economic Assistance Coordinating Council (EACC).
 10. If G&G fails to meet the obligations specified in paragraphs 1 through 9 above, the TOWN, acting through its Board of Selectmen, make take action to request decertification of the project by the EACC. Prior to taking any action to request such decertification, the TOWN

shall give written notice of the alleged default to G&G and an opportunity to meet with Town Officials to discuss a cure for the alleged default. G&G shall have 30 days to respond to the TOWN regarding any alleged default, and 120 days to remedy such default. If the project is decertified, the TOWN shall discontinue the Special Tax Assessment benefits, commencing with the first fiscal year in which the project is decertified, or if such benefits have already been received by G&G for the fiscal year in which the project has been decertified, then commencing the following fiscal year.

11. If G&G decides to sell its business, or to discontinue the operation thereof, G&G shall give the TOWN at least three months' notice of said termination, change, sale, transfer, or discontinuation. Said notice shall be given by certified mail, return receipt requested, to the Board of Selectmen, Town Hall, 126 Main Street, Ware MA 01082.

TOWN'S OBLIGATIONS:

1. The TOWN shall grant a Special Tax Assessment to G&G in accordance with Massachusetts General Laws, Chapter 23A, Sections 3E-3F, Chapter 40, Section 59, and Chapter 59, Section 5. Said exemption shall be granted on the full assessed value of the PROPERTY and all improvements made to same, and shall be based on the assessed value of the real property for each year in which the exemption applies.
2. Said exemption shall commence beginning in the fiscal year 2017 and shall be valid for a period of ten (10) years. The amount of the exemption shall be as follows:
 - a. FY 2017 through FY 2021: 100% exemption in each year;
 - b. FY 2022: 90% exemption;
 - c. FY2023: 75% exemption;
 - d. FY2024: 50% exemption;
 - e. FY2025: 25% exemption; and
 - f. FY2026: 0% exemption (100% of taxes are payable, exemption is terminated).

ADDITIONAL PROVISIONS:

1. This agreement shall be binding upon G&G Medical Products, LLC, their successors and assigns.
2. The matters described above as obligations of G&G are only conditions to the eligibility for tax exemptions under this Agreement, and do not create any enforceable obligations or covenants of G&G. The TOWN's sole remedy for failure by G&G to satisfy any of its respective obligations and conditions are set forth in Paragraph 10 of the G&G's Obligations section of this Agreement.
3. This agreement is subject to MGL Chapter 23A, Section 3A-3F inclusive, MGL Chapter 40, Section 59.

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4. Should any provision of the Agreement be declared or be determined by a Court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of the Agreement.
 5. The time within which the Company shall be required to perform any of its respective acts of obligations under this Agreement shall be extended to the extent that the performance of such obligations shall be delayed by a Force Majeure Event, which means acts of God, earthquakes, fire, acts of terrorism, war, labor disputes, delays or restrictions by government bodies, or any other cause beyond the reasonable control of G&G.

Executed as a sealed instrument on the day and year first above written.

TOWN OF WARE, MA

G&G MEDICAL PRODUCTS, LLC

Nancy J. Talbot, Chair
Ware Board of Selectmen

Bruno A. Basile, President

Date of Signature

Date of Signature