

# REVISED

THIS AGENDA IS SUBJECT TO CHANGE

**XI. EXECUTIVE SESSION 6:15 PM**

- L. 1) Under M.G.L Chapter 30A, S21 #2** - To discuss strategy with respect to collective bargaining [Health Insurance]  
**2) Under M.G.L Chapter 30A, S21 #2** - To discuss strategy with respect to collective bargaining [ASCME]

**BOARD OF SELECTMEN'S MEETING**  
**March 27, 2017**

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A meeting of the Board of Selectmen was called to order by Chairman James Marzec at 6:30 PM, Northbridge Town Hall, 7 Main Street, Whitinsville, MA. Present: Messrs. Ampagoomian, Athanas, Melia, Marzec, and Nolan. **Also Present:** Theodore D. Kozak.

The Pledge of Allegiance was recited by those present

**Open Session Adjourned: 6:31 PM**

**Executive Session Convened: 6:31 PM**

**Executive Session Adjourned: 7:10 PM**

**Open Session Reconvened: 7:11 PM**

**APPROVAL OF MINUTES A. February 27, 2017.** A motion/Mr. Athanas, seconded/Mr. Nolan to approve the February 27, 2017 minutes as presented with the readings omitted. Vote yes/Unanimous. **B. March 13, 2017 Executive Session.** A motion/Mr. Athanas, seconded/Mr. Ampagoomian to approve but not release the March 13, 2017 executive session minutes as presented with the readings omitted. Chairman Marzec requested a revision since he did not enter the meeting until 6:35 and the minute's state he called the meeting to order at 6:32. A motion/Mr. Ampagoomian, seconded/Mr. Athanas to approve but not release the March 13, 2017 executive session minutes with the following revision: Vice Chairman Ampagoomian called the meeting to order at 6:32 PM. Vote yes/Unanimous.

**PUBLIC HEARING: None**

**APPOINTMENTS/Resignations: None**

**CITIZENS' COMMENTS/INPUT: None**

**C. Spring Annual Town Meeting [May 2, 2017] / Vote to sign warrant upon completion and final review by Town Counsel.** A motion/Mr. Ampagoomian, seconded/Mr. Nolan to sign the Spring Annual Town Meeting warrant upon completion and final review by Town Counsel. Vote yes/Unanimous.

**D. School Department Budget Presentation/Present: Melissa Walker, Business Manager and Michael Lebrasseur, Chairman, School Committee.** Mr. Lebrasseur noted that this was the third school year since the 2014 failed override, which cut 1.1 million dollars from what would have been a level services budget. The failed override eliminated twenty one employees, 14 of which were teachers, all middle school sports and some High School athletic programs along with clubs and activities were also cut. Mr. Lebrasseur explained that in 2016 the budget was reduced, they limited transportation services, increased fees, and reorganized stipends. He continued, in 2017 the budget was built as a level services budget to avoid another year of reductions. Mr. Lebrasseur explained that going into the 2018 budget they realized that just maintaining what they have is not enough. The School Committee received feedback from the community on their perception of the schools and what they believed should be prioritized. They also challenged the administrators as to what was needed to move forward versus wishes. The total cost of the prioritized additions comes to an additional \$711,001 on top of the level serviced budget. After working through the numbers to close the gap and make the budget sustainable for the next 5 years their recommended budget came to \$27,863,326. Mr. Lebrasseur explained that in order to make that number sustainable for 5 years it would take a \$2.5 million dollar override, which would amount to a \$495 increase per year. Mr. Lebrasseur

explained the School Committee would be voting their position at their meeting tomorrow. He explained he had a feeling that the Committee would lean towards the level funded number, which would lead to staffing adjustments. Mr. Lebrasseur explained the problem with that option still leaves a \$427,318 dollar gap with keeping a \$1 million dollar balance in the revolving account. Mr. Lebrasseur pointed out that to make 2019 level, there is a \$1,606,842 gap. Selectman Athanas asked if the Balmer School was the only school that was a level 3 and asked if the level system could be explained. Dr. Stickney stated yes and explained that the State established a leveling system with the primary factor being MCAS results and the rate at which schools close achievement gaps over certain sub groups over a span of 10 years. A point value is assigned to how quickly a school closes a gap and should the school fall within a certain percentage range of schools within the state that have that grade level configuration they then assign levels. Since 2013 Balmer was rated a level 3 school which means that it was not closing the achievement gaps fast enough, and those gaps fell within the bottom 20% of the state. Since then over the course of testing, testing protocol, common core, and park assessments, schools have been given a choice to participate in MCAS testing, and schools that did not were not held harmless, which made them able to hold their level status and not have any effect. Northbridge did not partake in that option and continued with MCAS testing, so going into the most recent school year Balmer was 1 of the schools in the district of about 30% that utilized MCAS. Dr. Stickney explained it is a 5 level system, level 1 being the top in the State, level 2 means your closing your gaps, level 3 is not demonstrating fast enough progress and you receive State assistance, which has been cut considerably, level 4 puts you under more State governance, and level 5 is a takeover. Selectman Nolan asked what the projected enrolment numbers have been for the past 2 years and what they are for the next few years. Dr. Stickney replied that the enrollment has been decreasing between 50-100 students over the past two years, and looking at the Massachusetts School Building Authority projection this trend will continue. Dr. Stickney explained that a decrease in enrollment poses a challenge because although it would appear staffing could be decreased it isn't necessarily true since it may vary by each grade on the decrease of students. Selectman Ampagoomian asked why the requested 2.6 million dollars is not enrolled into the budget as an increase instead of going for an override. Dr. Stickney explained that she would be concerned because that would be so different from the past budgets without educating everyone on what is needed; it would not appear transparent. Dr. Stickney continued whereas the current layout has everything broken down to the penny. Selectman Melia asked what the chances of the communities getting an increase from the State. Mr. Lebrasseur explained that he believes more money will be added to Chapter 70 funding but it will be factored into the appropriation. Selectman Melia suggested requesting to take from the Stabilization Account. Town Manager Kozak explained he would advise against that since it is an emergency account, which you could argue that it is. Mr. Kozak continued stating that if it was built in and there is an uncertainty as to if the money will be available next year it would set the budget off in even more of a deficit. Town Manager Kozak suggested using revolvers to close the gap first before going to Town stabilization. Selectman Melia asked what the average amount of free cash is that the Town has been able to give to the school at the October Town Meeting. Town Accountant Vaidya explained that typically free cash isn't given at the Fall Town Meeting but the money is instead generated from additional receipts, and it varies year to year. On average it has been about \$200,000. Selectman Melia explained that he believes that is where we need to be looking which wouldn't be until the Fall. Mr. Vaidya reminded the Board that 3 years ago a financial policy was brought to the Board to dictate where free cash is spent, which \$750 is reserved for the budget, and the remaining amount is certified over and above should be used for capital expenditures and stabilization. Mr. Vaidya explained that in the past the Town typically relied on free cash to the point where it became built into the budget, when that happen, and the number falls below it is a problem. Chairman Marzec asked if it came down to laying off teachers what the class size would come down to per teacher. Dr. Stickney explained that she could give a concrete example and explained that the World Language Department's strategic need is a world language teacher, there was a reduction in that department. This coming school year the middle schoolers coming into high school have no world language experience due to that reduction. Selectman Ampagoomian expressed that there is a conversation with the Legislator's coming up and he thought it might be a good idea to attend and voice concerns regarding the Chapter 70 budget. Selectman Nolan commended the PowerPoint presentation explained that sometime



people who do not understand the budgets get confused but the PowerPoint prepared for this topic is very clear and concise.

**E. Town Meeting Ballot Questions [Article 4 & Article 28].** Town Manager Kozak reminded the Board that there are two articles on the Warrant, which could be override ballot questions and a decision will be needed at the next meeting of April 10, 2017.

**VII. TOWN MANAGER'S REPORT**

- 1) Community Electricity Aggregation Program** - Town Manager Kozak announced that the Good Energy Municipal Coalition has recently been discussing whether to rebid or extend the electricity aggregation contract with Con Edison, which is due to end in January 2018. The Coalition hopes to make a recommendation by next month as to which direction is most advantageous to the communities involved.
- 2) DPW Facility Update** - Town Manager Kozak announced that the Contractor has begun to dismantle two out-buildings on the site. He stated that the Building Planning Construction Committee has placed an ad in the Central Register for the steel building. Bids are due May 4th at 1 PM. Mr. Kozak stated that the DPW is meeting with local Boards/Committees to seek permit approvals for the new building.
- 3) Town Manager Screening Committee update** - Town Manager Kozak explained the Town Manager Screening Committee has finalized the advertisement for the Town Manager's position, which will be advertised in the April edition of the Beacon. It will also be published in the Telegram & Gazette on April 2<sup>nd</sup>. It is currently posted on the Massachusetts Municipal Association website and the Town's home page.
- 4) Planning Board - Public Hearing** - Town Manager Kozak announced there will be a Public Hearing held regarding the Zoning Amendment Article [Article 19] and the Temporary Zoning Moratorium [Article 20] on Tuesday, March 28, 2017 at 7:00 PM at the Town Hall in the Selectmen's Meeting Room. Anyone interested is encouraged to attend.

Town Manager Kozak announced that the Council on Aging will be hosting a MASS DOT EZ Pass Service for anyone looking to obtain a transponder. The service is available on Tuesday, March 28, 2017 from 12 PM - 4 PM.

**VIII. SELECTMEN'S CONCERNS**

**Selectman Athanas 1)** asked how the Fire Chief search was coming along. Town Manager Kozak stated there are 6 finalists and an assessment center will be conducted on April 5, 2017.

**Selectman Nolan 1)** has heard some rumblings of the Massachusetts Bay Transportation Authority cutting weekend services to Central Mass. and would like to send a letter to our legislators to oppose any cuts to the MBTA for Central Mass. Town Manager Kozak explained he would be happy to send that letter but does believe the Governor has already taken that off the table.

**Selectman Ampagoomian 1)** asked what the latest update is on the Great Hall. Town Manager Kozak replied that the plaster should be completed at the end of the week and the painting will begin this week and the project should be completed by June.

**2)** asked if it was on budget. Town Manager Kozak explained that it was a little under budget but he may do extra work to bring it to budget.

**3)** asked if the road project list has been complied. Highway Superintendent Mr. Luchini replied that it is still being finalized and typically it goes out to bid at the end of April.

**3)** asked what was going on with the Fire station engineering. Town Manager Kozak explained that there is an article for Town Meeting to make the repair with an estimate of \$50,000.

**4)** asked how the ambulance repairs were coming along. Town Manager Kozak explained that it should be completed by mid-April.

**Chairman Marzec 1)** explained he was an ex-officio member of the Trustees of Soldiers & Memorials and stated a contract was awarded for the restoration of the Rockdale World War I Memorial. Work should commence as soon as the weather permits.

**IX. ITEMS FOR FUTURE AGENDA/None**

**X. CORRESPONDENCE/None**

**XI. EXECUTIVE SESSION - 6:30 PM: Under M.G.L Chapter 30A, Sec. 21 #3 - To discuss strategy with respect to litigation. [Union Grievances]**

A motion/Mr. Nolan, seconded/Mr. Athanas to adjourn the public meeting. Vote yes/ Unanimous

**Meeting Adjourned: 7:58 PM**

**Respectfully submitted,**

**James Athanas, Clerk**

**/mjw**

## **LIST OF DOCUMENTATION**

### **BOARD OF SELECTMEN'S MEETING - OPEN SESSION**

**March 27, 2017**

**EXECUTIVE SESSION: 6:30 PM**

#### **PLEDGE OF ALLEGIANCE**

#### **I. APPROVAL OF MINUTES**

##### **A. February 27, 2017**

-Copy of February 27, 2017 minutes

##### **B. March 13, 2017 Executive Session**

-Copy of March 13, 2017 minutes

#### **II. PUBLIC HEARING/None**

#### **III. APPOINTMENTS/Resignations/None**

#### **IV. CITIZENS' COMMENTS/INPUT/None**

#### **V. DECISIONS**

##### **C. Spring Annual Town Meeting [May 2, 2017] / Vote to sign warrant upon completion and final review by Town Counsel**

-Copy of Warrant for the Spring Annual Town Meeting

#### **VI. DISCUSSIONS**

##### **D. School Department Budget Presentation/Present: Melissa Walker, Business Manager and Michael Lebrasseur, Chairman, School Committee**

-Copy of 2018 School Budget Power Point presentation

##### **E. Town Meeting Ballot Questions [Article 4 & Article 28]**

-Copy of memorandum from Town Manager Kozak to the Board of Selectmen regarding the potential of 2 Ballot Questions

#### **VII. TOWN MANAGER'S REPORT**

##### **F. 1) Community Electricity Aggregation Program - No documentation**

##### **2) DPW Facility Update - No documentation**

##### **3) Town Manager Screening Committee update - No documentation**

##### **4) Recreational Marijuana Establishments – Planning Board Public Hearing - No documentation**

#### **VIII. SELECTMEN'S CONCERNS/No documentation**

#### **X. ITEMS FOR FUTURE AGENDA/No documentation**

#### **X. CORRESPONDENCE/No documentation**

#### **XI. EXECUTIVE SESSION - 6:30 PM: Under M.G.L Chapter 30A, Sec. 21 #3 - To discuss strategy with respect to litigation. [Union Grievances]**

**BOARD OF SELECTMEN'S MEETING**  
**April 10, 2017**

A 2

A meeting of the Board of Selectmen was called to order by Vice Chairman Charlie Ampagoomian at 7:00 PM, Northbridge Town Hall, 7 Main Street, Whitinsville, MA. Present: Messrs. Ampagoomian, Athanas, Melia, and Nolan. Chairman Marzec is absent and it is duly noted. **Also Present:** Theodore D. Kozak, Representative David Muradian, and Senator Ryan Fattman.

The Pledge of Allegiance was recited by those present

**Present: Representative David Muradian and Senator Ryan C. Fattman - Budget update and legislative happenings.** Representative Muradian stated that the House budget just came out this afternoon. The House 2 Chapter 70 funding number increased by \$23,050. The rest of the numbers have not changed. Rep Muradian stated he has seen amendments that he signed onto for regional school transportation and they are attempting to bump the number up by \$10,235,563. Rep Muradian praised the High School band who he stated did a great job this year at the Spring concert. Senator Fattman explained that they are anticipating about a billion dollars in new revenue, unfortunately 68% is taken up by health care costs, pension obligations and local obligations as well. Senator Fattman explained that at a meeting he questioned why all the indicators in the budgets are good for the economy but the revenue which is derived from it just isn't there, he received a response that the Massachusetts economy is a lot different than the rest of the country and perhaps tax reform is need. Senator Fattman explained that he believes that will be a discussion over the next few years. Senator Fattman stated that the Senate budget will be done in May and typically more accurate numbers are achieved. Senator Fattman explained the upcoming challenges will be Mass Health. He explained there was a \$6 million gap and under the Affordable Care Act it gave options to take commercial insurance or go into the public insurance market. That caused an influx and currently almost 1/3 of the State's population is receiving Mass Health, which creates a lot of pressure on the system financially. Selectman Nolan asked if Senator Fattman had any ideas, suggestions, or predictions for next year to help with the Chapter 70 funding. Senator Fattman explained that he doesn't necessarily agree with it but he believes the solution is coming in 2018, and explained there is a ballot initiative which is a 4% surtax on people making \$1 million dollars or more. Senator Fattman explained he believes in equal tax across the board, so he will not vote for the ballot but he does believe it will pass. Senator Fattman explained that his concern with this is those being taxed more will leave the state, which happened in New Jersey, and those who were surtaxed went to other states with more favorable tax environments. Representative Muradian added that he would caution people to look at the ballot question as it is drafted right now because it basically states it is subject to appropriation, which means the House and Legislators can do what they want with it and will not necessarily going back to the cities for education and roads. Selectman Ampagoomian asked if either Representative Muradian or Senator Fattman would be attending the Commonwealth Conversations Tour. Senator Fattman replied he believes he would be attending. Representative Muradian explained that with it being budget season, he unfortunately will not be able to attend. Senator Fattman added that he would be holding office hours at the Whitinsville Social Library tomorrow April 11, 2017 from 11 AM -12 PM. Representative Muradian added on April 21<sup>st</sup> beginning at 10:30 AM the State House is hosting the Armenian Genocide Commemoration, and urged anyone who was interested to attend.

**APPROVAL OF MINUTES/None**

**PUBLIC HEARING A. 7:10 PM: Douglaspak, Inc. d/b/a Arcade Package Store [Chanjay Amin, Manager]/Request to transfer 1) The All Alcohol Package Store liquor license from Douglas Package Store, Inc. d/b/a Arcade Package Store [David Wnukowski, Mgr.], 85 Church Street, Unit 16-6, Whitinsville, MA to Douglaspak, Inc. d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.] at the same location.** Vice Chairman Ampagoomian read aloud the public hearing notice. A motion/Mr. Melia,

seconded/Mr. Nolan to open the public hearing. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. Frank Niro was present to represent Douglaspak, Inc. d/b/a Arcade Package Store, and Dimple Desai was also present who is the projected owner pending the Board's and ABCC approval. Mr. Niro explained that the application was for a transfer of the license from the existing Arcade Package Store to Douglaspak, Inc. Mr. Niro explained there were no changes being made and the transition is for a transfer only. Vice Chairman Ampagoomian asked if there was anyone in the audience to make a statement for or against the application. No member of the audience spoke for or against the transfer of the license. A motion/Mr. Nolan, seconded/Mr. Athanas to close the public hearing. Vote yes/Messrs. Ampagoomian, Athanas, Melia, Nolan. A motion/Mr. Melia, seconded/Mr. Nolan to grant the transfer of the All Alcohol Package Store license from Douglas Package Store, Inc. d/b/a Arcade Package Store [David Wnukowski, Mgr.], 85 Church Street, Unit 16-6, Whitinsville, MA to Douglaspak, Inc. d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.] at the same location. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. **2) the Common Victualler License from Douglas Package Store, Inc. d/b/a Arcade Package Store [David Wnukowski, Mgr.], 85 Church Street, Unit 16-6, Whitinsville, MA to Douglaspak, Inc. d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.] at the same location /Present: Frank Niro, Attorney.** A motion/Mr. Nolan, seconded/Mr. Melia to allow the transfer of the Common Victualler License from Douglas Package Store, Inc. d/b/a Arcade Package Store [David Wnukowski, Mgr.], 85 Church Street, Unit 16-6, Whitinsville, MA to Douglaspak, Inc. d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.] at the same location. Vote yes/ Messrs. Ampagoomian, Athanas, Melia, and Nolan.

**Resignations: B. William Mello Jr. /Disability Commission and Historical District Study Committee.** A motion/Mr. Nolan, seconded/Mr. Melia to accept Mr. Mello's resignation from the Disability Commission and the Historical District Study Committee and send a letter of appreciation. Vote yes/ Messrs. Ampagoomian, Athanas, Melia, and Nolan.

#### **CITIZENS' COMMENTS/INPUT/None**

Vice Chairman Ampagoomian announced that he would be skipping to item G. and returning back to the agenda as scheduled after the discussion of item G. A motion/Mr. Nolan, seconded/Mr. to move discussion item G. before decisions. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan.

**G. Community Preservation Act/Present: Jennifer Burke, Principal Planner, Hopkinton.** Ms. Burke explained that the Community Preservation Act (CPA) dedicates funds for open space, affordable housing, historic preservation, and recreation. It allows a 1%-3% property surcharge which is then matched by the state from monies that are paid to the Registry of deeds. Ms. Burke explained it is enacted by Town Meeting action and a ballot question. She stated that exemptions can be placed on it so that people who are categorized under Department of Housing and Community Development guidelines as low-moderate income would not have to pay the surcharge. Commercial and industrial properties can be exempt if the tax rate is split. You can also exempt the first \$100,000 of the property tax value. Ms. Burke explained that it is effective for 5 years, and after 5 years it can be voted back in, done away with it, or the tax rate changed. Ms. Burke explained at least 10% of the funds collected are reserved for each category with the exception of recreation, and the remaining funds can be dispersed under whichever category the Town wishes. Ms. Burke explained if it passes a CPA Committee would then need to be formed, and will make recommendations and determinations at future Town Meetings on how the money is spent. The committee is made up of 9 members, including a member of Conservation Commission, Park Commission, Historic Commission, Planning Board, Housing Authority, and 4 at large members who are appointed by the Board of Selectmen. Town Meeting can vote up or down the recommendations but can't change their recommendations. Ms. Burke explained that more communities have passed the CPA, which is good but the downfall is that the more communities that partake in the CPA, the less the State matches the funding. In 2007 there was a 100% State match, in 2016 the State match was 20.58% and this year it is predicted to be a 15% match. Selectman Athanas asked what percentage surcharge Hopkinton was running at. Ms. Burke

replied 2.5%. Selectman Athanas asked if eventually Ms. Burke expects the CPA to be over capped and not profitable to communities eventually. Ms. Burke explained that the Community Preservation Coalition, who advocates and lobbies for Towns and Cities that have adopted CPA. Ms. Burke also noted that she didn't think it would go away since people are always buying houses, so the money essentially wouldn't disappear. Selectman Athanas asked if it was a requirement to spend the money earned in that calendar year. Ms. Burke replied no. Selectman Nolan asked if war monuments would be applicable to use the funds received. Ms. Burke explained if they are deemed to be historic by the Local Historic Commission than they would be fundable under the CPA.

**C. Stephanie Bentley / Request permission to hold a Boot Drive at Memorial Square on Saturday, June 2, 2018 from 9 AM to 12 PM to benefit the NHS Food Pantry [Rain Date: June 9, 2018].** Ms. Bentley explained she has been working with Dr. Stickney and Ms. Mckinsty to set up a food pantry at the Northbridge High School for the students use. She explained the reasoning they are looking to set it up is due to the limited access to food pantries for students. The food pantry is scheduled to beginning in September and students will have access to the food and be able to give themselves control of their food situation. Ms. Bentley explained that unfortunately 31% of the students at Northbridge High School are on free/reduced lunch and experience food insecurity. Ms. Bentley explained the boot drive would help not only to supply food but also to purchase needed items such as shelving. Selectman Nolan asked where the food source comes from. Ms. Bentley replied that it requires community partners to either donate money, gift cards, or do a food drive. A motion/Mr. Melia, seconded/Mr. Nolan to approve the request to hold a Boot Drive at Memorial Square on Saturday, June 2, 2018 from 9 AM to 12 PM to benefit the NHS Food Pantry. Selectman Ampagoomian requested once the program was up and running to come back in front of the Board to give an update. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan.

**D. Spring Annual Town Meeting [May 2, 2017] / Vote positions on warrant articles.** Town Manager Kozak explained that the first few articles are regular housekeeping articles. **ARTICLE 1: (Board of Selectmen)** Bill(s) of a prior year: Town Manager Kozak stated that there are no previous year bills at this point in time. A motion/Mr. Melia, seconded/Mr. Athanas to pass over Article 1. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee voted unanimously to pass over. **ARTICLE 2: (Board of Selectmen)** Transfers: Town Manager Kozak read aloud the transfers. A motion/Mr. Melia, seconded/Mr. Nolan to support Article 2. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 2. **ARTICLE 3: (Finance Committee)** Omnibus Budget: A motion/Mr. Nolan, seconded/Mr. Melia to support Article 3. Selectman Melia asked what the percentage is between last year and this year for the ominous budget. Town Manager Kozak stated he believes it is 3%. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 3. **ARTICLE 4: (Board of Selectmen)** Sewer Enterprise Fund: A motion/Mr. Nolan, seconded/Mr. Melia to support Article 4. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 4. **ARTICLE 5: (Board of Selectmen)** Water Enterprise Fund: A motion/Mr. Melia, seconded/Mr. Athanas to support Article 5. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 5. **ARTICLE 6: (Board of Selectmen)** Chapter 90: A motion/Mr. Melia, seconded/Mr. Nolan to support Article 6. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 6. **ARTICLE 7: (Board of Selectmen)** Compensated Balances: A motion/Mr. Nolan, seconded/Mr. Athanas to support Article 7. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 7. **ARTICLE 8: (Board of Selectmen)** Revolving Accounts: Town Manger Kozak stated that due to the modernization bill it allows the Town to combine the Revolving Accounts in one vote. Town Accountant Mr. Vaidya explained that this is a bylaw change and this article will incorporate it into the bylaws and next year only the authorization will be voted. A motion/Mr. Athanas, seconded/Mr. Nolan to support Article 8. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 8. **ARTICLE 9: (Board of Selectmen)** Compensated Absences Fund: A motion/Mr. Melia, seconded/Mr. Athanas to support

Article 9. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports Article 9. **ARTICLE 10: (Board of Selectmen)** Raise and Appropriate: A motion/Mr. Nolan, seconded/Mr. Melia to support Article 10. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 10. **ARTICLE 11: (Board of Selectmen)** Pine Grove Cemetery Trust: A motion/Mr. Melia, seconded/Mr. Athanas to support Article 11. Selectman Nolan asked how the Trust fund was holding up. Town Manager Kozak replied that we have not touched it and it has been accumulating. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 11. **ARTICLE 12: (Board of Selectmen)** Town Building Maintenance: A motion/Mr. Athanas, seconded/Mr. Melia to support Article 12. Selectman Athanas asked the current amount of that account. Mr. Vaidya replied we used quite a bit this year and he believes it is close to \$75,000. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 12. **ARTICLE 13: (Board of Selectmen)** Other Post-Employment Benefits Trust: Town Manager Kozak announced that the estimated amount of funds from the meals tax is around \$150,000. Town Manager Kozak explained that the transfer of funds was unclear until last week and may have to come back to it in the Fall. Town Manager Kozak explained that since it is an estimated receipt we do not have to wait for the funds to be certified, we can instead increase the estimated receipts and raise and appropriate instead of transfer. Town Manager Kozak stated the recommendation is to raise and appropriate \$50,000 and look for other avenues such as special act for the future. A motion/Mr. Nolan, seconded/Mr. Melia to support the Town Manager's recommendation to raise and appropriate \$50,000. Town Manager Kozak asked the Finance Committee to reconsider their vote. Vote yes/ Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee voted to pass over Article 13. **ARTICLE 14: (Board of Selectmen)** Healthcare Reimbursement Account: Town Manager Kozak stated his recommendation is to raise and appropriate \$450,900.77 of free cash to go towards the new fund. A motion/Mr. Melia, seconded/Mr. Athanas to support Article 14. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 14. **ARTICLE 15: (Board of Selectmen)** Omnious Budget: Town Manager Kozak explained that typically this article is typically on for the Fall Annual Town Meeting but he felt as though there was enough in the free cash to put \$100,000 in at the Spring Town Meeting. A motion/Mr. Athanas, seconded/Mr. Melia to support Article 15. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 15. **ARTICLE 16: (Board of Selectmen)** Fire Department Repairs: Town Manager Kozak stated that with the estimates \$50,000 should cover the work that needs to be completed on the brink façade. A motion/Mr. Athanas, seconded/Mr. Nolan to support Article 16. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 16. **ARTICLE 17: (Planning Board)** Zoning Bylaw: Rob Kinapik and Sean Sawyer were present to provide more information on this article. Mr. Kinapik explained that Mr. Sawyer is his client and he has entered into an agreement to purchase the former Whitinsville Hospital. Mr. Sawyer is seeking to expand his business as a veterinary hospital, however this is not an allowed use under a business district. The amendment to the Zoning bylaw would allow veterinary hospitals in the B-2 Zoning district by special permit issued by the Zoning Board of Appeals. A motion/Mr. Melia, seconded/Mr. Athanas to support Article 17. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 17. **ARTICLE 18: (Planning Board)** Temporary Moratorium Zoning Bylaw: Town Manger Kozak explained that passage of this article would allow the Town to place an 18 month moratorium for recreational marijuana establishments. A motion/Mr. Melia, seconded/Mr. Athanas to support Article 18. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 18. **ARTICLE 19: (Board of Selectmen)** Raise and appropriate: Town Manager Kozak explained that this article would allow the Town to purchase energy reduction equipment for Town and School buildings. Mr. Kozak explained that as part of the Green Community installing energy reducing equipment is a requirement. A motion/Mr. Athanas, seconded/Mr. Nolan to support Article 19. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 19. **ARTICLE 20: (School Committee)** Stabilization Fund: Town Manager Kozak explained the article would allow the schools to utilize funds to purchase technology and execute capital repairs to the High School. The recommended amount is \$100,000 in free cash. A motion/Mr. Nolan,

seconded/Mr. Melia to support Article 20. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 20. **ARTICLE 21: (Board of Selectmen) Retained Earning Account:** Town Manager Kozak recommended \$110,000 to purchase and install energy reduction equipment at the Wastewater Treatment Plant and other pump stations. A motion/Mr. Athanas, seconded/Mr. Melia to support Article 21. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 21. **ARTICLE 22: (Board of Selectmen) Retained Earning Account:** Town Manager Kozak explained the purpose of this article is to finance work to make physical improvements to the Town's sewer collection system. A motion/Mr. Melia, seconded/Mr. Nolan to support Article 22. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 22. **ARTICLE 23: (Board of Selectmen) Road & Sidewalk Repair, Maintenance Preservation, and Re-Construction Program:** Town Manager Kozak recommended adding \$150,000 of free cash to the Road & Sidewalk Repair, Maintenance Preservation and Re-Construction Program to continue the project for another year. A motion/Mr. Melia, seconded/Mr. Nolan to support Article 23. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 23. **ARTICLE 24: (Board of Selectmen) Hook & Load Packer Truck:** Town Manager Kozak explained passage of this article would raise and appropriate \$65,000 for the purpose of financing the purchase of a hook & Load Packer truck for use by the Highway Department. A motion/Mr. Melia, seconded/Mr. Athanas to support Article 24. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 24. **ARTICLE 25: (Board of Selectmen) Sidewalk Bombardier:** Town Manager Kozak stated that this article is to purchase a Sidewalk Bombardier in the amount of \$138,000 for the Highway Department. A motion/Mr. Nolan, seconded/Mr. Melia to support Article 25. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 25. **ARTICLE 26: (Board of Selectmen) Community Preservation Act:** Town Manager Kozak recommended a 1% property surcharge, which would bring the Town a little over \$130,000 in the first year not including the match that the State brings. Town Manager Kozak emphasized that the funds could be utilized to help with recreational fields, or historic buildings. A motion/Mr. Melia, seconded/Mr. Athanas to not support Article 26. Selectman Melia explained he felt as though the Northbridge community was not ready for these changes and feels as though there is some uncertainty with upcoming projects, which are more important. Selectman Athanas noted that he believes just because we can generate additional revenue from this doesn't mean the Town should. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 26. **ARTICLE 27: (Disability Commission) Provisions Chapter 40 §8J:** Town Manager Kozak explained that passage of this article would allow the Town to establish a Disability Commission which was done some time ago, but there is no formal documentation on record. A motion/Mr. Nolan, seconded/Mr. Athanas to support Article 27. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 27. **ARTICLE 28: (Disability Commission) Provisions of Chapter 40 §22G:** Town Manager Kozak explained that pending article 27 passes article 28 would allow parking fees to be used for Disability Commission towards the benefit of those with disabilities. A motion/Mr. Nolan, seconded/Mr. Athanas to support Article 28. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan. The Finance Committee supports passage of Article 28.

**E. Annual Town Election [May 16, 2017] /Vote to place ballot question on the Annual Town Election Warrant.** Town Manager Kozak explained that this is for the potential of an override question. Town Manager Kozak explained that the School Committee has voted not to place a question on the ballot but the Community Preservation Act requires a ballot question. After discussion with Town Counsel the recommendation is to wait to see if it passes at Town Meeting then be a ballot question at a later point. Town Manager Kozak stated he has no recommendation for a ballot question at this point. A motion/Mr. Melia, seconded/Mr. Athanas to postpone the placement of a CPA ballot question to a later date after the decision at Town Meeting. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan.

**F. Southeastern Regional Planning & Economic Development District [SRPEDD] / Vote to authorize**



**the Primary Representative [Theodore Kozak, Town Manager] and/or the Alternate Representative [Sharon Susienka, Exec. Asst.] to execute a contract for supply of electricity [Electricity Service Agreement(ESA)] on bid day for the SRPEDD Community Electricity Aggregation.** Town Manager Kozak explained that this will allow him to represent the Town to attend the bid opening on behalf of the contracts for energy saving for home owners and small businesses. A representative from the community is required to be present at the bid opening on April 19<sup>th</sup>. A motion/Mr. Athanas, seconded/Mr. Melia to authorize the Primary Representative [Theodore Kozak, Town Manager] and/or the Alternate Representative [Sharon Susienka, Exec. Asst.] to execute a contract for supply of electricity [Electricity Service Agreement(ESA)] on bid day for the SRPEDD Community Electricity Aggregation. Vice Chairman Ampagoomian asked if suggestions could be made. Mr. Kozak replied no because the bids have not been issued. Vote yes/Messrs. Ampagoomian, Athanas, Melia, and Nolan.

**TOWN MANAGER'S REPORT/H. 1) Meeting with key local business representatives** - Town Manager Kozak stated that Town Planner Gary Bechtholdt and himself recently met with various key business people including Jeannie Hebert from the Chamber of Commerce to continue the discussion of ways to exchange economic development objectives in the Town of Northbridge. Town Manager Kozak announced that Mr. Bechtholdt pointed out that the Town has received grant funds to revive the Town's Master Plan, which will include economic development strategies as this has not been done for a number of years. **2) Economic Development Strategic Plan Public Forum** - Town Manager Kozak announced that the Planning Board will host a community event on Tuesday, April 11, 2017 at 7:00 PM in the Town Hall. The Public Forum is designed to take input from the public identifying community needs, land use goals, and development opportunities and constraints. The Economic Development Strategic Plan (to be completed in June 2017) will include a 5-year Action Plan. Anyone interested is encouraged to attend. Questions may be directed to the Community Planning and Development Office at (508-234-2447). **3) School Building Authority/Owner's Project Manager Approval** - Town Manager Kozak stated that the Town received notification of approval for the Owner Project Manager. The Town can now go forward with the feasibility study to determine the future use of both Balmer School and the Northbridge Elementary School. **4) Mass DOT Chapter 90 funding** - Town Manager Kozak announced that the Town also received notification that the Chapter 90 funding for FY 2018 is \$470,019. The amount will be incorporated into the existing 10-year Chapter 90 contract. **4) Green Communities award** - Town Manager Kozak stated he attended the Green Communities Award ceremony on behalf of the Town, which received \$176,515 as a Green Community participant. The award was granted by Commissioner Judith Judson of the Department of Energy Resources. Representative Muradian and Senator Moore were also in attendance.

**SELECTMEN'S CONCERNS: Selectman Athanas 1)** asked when street sweeping would be commencing. Mr. Luchini replied that street sweeping started last Wednesday and the sweeper will be out every day this week as long as the weather permits. **2)** asked how much money was spent on salt and plowing this year. Mr. Luchini answered \$480,000 including salt, contractors, and overtime. **3)** asked how the Fire Chief search was going. Town Manager Kozak replied it was still ongoing but do have the finalist. **Selectman Melia 1)** asked if the Highway Department has looked into replacing salt with a molasses mix. Mr. Luchini replied that the molasses mix is not currently used in our location and needs a pump station to supply it. Mr. Luchini explained that the molasses byproduct has some downsides, for instance if it is applied on the road and the temperature drops it creates a slick surface.

**ITEMS FOR FUTURE AGENDA/None**  
**CORRESPONDENCE/None**  
**EXECUTIVE SESSION/None**

A motion/Mr. Nolan, seconded/Mr. Athanas to adjourn the public meeting. Vote yes/ Messrs. Ampagoomian, Marzec, and Nolan.

**Meeting Adjourned: 8:42 PM**

**Respectfully submitted,**

**James Athanas, Clerk**

**/mjw**

## **LIST OF DOCUMENTATION**

### **BOARD OF SELECTMEN'S MEETING - OPEN SESSION**

**April 10, 2017**

**Present: Representative David Muradian and  
Senator Ryan C. Fattman - Budget update and legislative happenings**

#### **I. APPROVAL OF MINUTES/None**

#### **II. PUBLIC HEARING**

**A. 7:10 PM: Douglaspak, Inc. d/b/a Arcade Package Store [Chanjay Amin, Manager]/Request to transfer 1) The All Alcohol Package Store liquor license from Douglas Package Store, Inc. d/b/a Arcade Package Store [David Wnukowski, Mgr.], 85 Church Street, Unit 16-6, Whitinsville, MA to Douglaspak, Inc. d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.] at the same location.**

- Copy of public Hearing Notice
- Copy of Monetary Transmittal Form
- Copy of License application packet
- Copy of list of documentation
- Copy of Articles of Organization
- Copy of corporate vote
- Copy of Agreement for Sale of Assets
- Copy of lease agreement
- Copy of Workers' Compensation Affidavit
- Copy of Certificate of Liability Insurance
- Copy of emergency contact information
- Copy of TIPS certification
- Copy of Advertisement
- Copy of License Routing Slip

**2) the Common Victualler License from Douglas Package Store, Inc. d/b/a Arcade Package Store [David Wnukowski, Mgr.], 85 Church Street, Unit 16- 6, Whitinsville, MA to Douglaspak, Inc. d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.] at the same location /Present: Frank Niro, Attorney.**

- Copy of Common Victualler license application
- Copy of REAP form
- Copy of Worker's Compensation Affidavit
- Copy of Certificate of Liability
- Copy of Articles of Organization
- Copy of plans
- Copy of emergency contact information

#### **III. APPOINTMENTS:**

**B. Resignations: William Mello Jr. /Disability Commission and Historical District Study Committee**

- Copy of letter of resignation

**IV. CITIZENS' COMMENTS/INPUT/None**

**V. DECISIONS**

**C. Stephanie Bentley / Request permission to hold a Boot Drive at Memorial Square on Saturday, June 2, 2018 from 9 AM to 12 PM to benefit the NHS Food Pantry [Rain Date: June 9, 2018].**

-Copy of email requesting permission to hold a boot drive

**D. Spring Annual Town Meeting [May 2, 2017]/Vote positions on warrant articles.**

-Copy of Spring Annual Town Meeting Warrant support decision page

-Copy of Spring Annual Town Meeting Warrant

-Copy of FY 18 Budget request line items

**E. Annual Town Election [May 16, 2017]/Vote to place ballot question on the Annual Town Election Warrant. - No documentation**

**F. Southeastern Regional Planning & Economic Development District [SRPEDD / Vote to authorize the Primary Representative [Theodore Kozak, Town Manager] and/or the Alternate Representative [Sharon Susienka, Exec. Asst.] to execute a contract for supply of electricity [Electricity Service Agreement (ESA)] on bid day for the SRPEDD Community Electricity Aggregation.**

-Copy of SRPEDD Group Bid day representative's authority

**VI. DISCUSSIONS**

**G. Community Preservation Act/Present: Jennifer Burke, Principal Planner, Hopkinton. - No documentation**

**VII. TOWN MANAGER'S REPORT**

**H. 1) Meeting with key local business representatives-No documentation**

**2) Economic Development Strategic Plan - Public Forum**

-Copy of Economic Development strategic Plan flyer

**3) School Building Authority / Owner's Project Manager approval-No documentation**

**4) Mass DOT Chapter 90 funding**

-Copy of letter regarding Chapter 90 funding

**5) Green Communities Award**

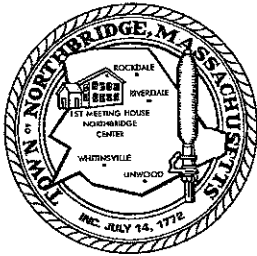
-Copy of Green Communities designation invitation

**VIII. SELECTMEN'S CONCERNS/No documentation**

**IX. ITEMS FOR FUTURE AGENDA/None**

**X. CORRESPONDENCE/None**

**XI. EXECUTIVE SESSION/None**



Theodore D. Kozak  
Town Manager  
May 2, 2017

TOWN OF NORTHBRIDGE  
OFFICE OF THE TOWN MANAGER  
NORTHBRIDGE TOWN HALL  
7 MAIN STREET  
WHITINSVILLE, MASSACHUSETTS 01588  
Phone- (508) 234-2095 Fax- (508) 234-7640  
www.northbridgemass.org

C. Legal (138), 5/4/17  
Abutters 5/3/17  
K. Mulvehill 5/2/17

BI

Via Facsimile: 508-793-9315  
Telegram & Gazette (Legals)

To Whom It May Concern:

Please place the following Legal Notice in your newspaper for **Saturday, May 6, 2017:**

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**TOWN OF NORTHBRIDGE  
PUBLIC HEARING NOTICE**

Notice is hereby given, under Chapter 138, Section 15A, of the MGLs that a Public Hearing will be held on **Monday, May 22, 2017, at 7:05 PM** in the Selectmen's Room, Northbridge Town Hall, 7 Main Street, Whitinsville, MA to consider the application of Purgatory Beer Company, Inc. [Kevin Mulvehill, Mgr.] for a Farmer Series Pouring Permit at 670 Linwood Avenue, Building C 111A, Whitinsville, MA 01588. The description of the premises is as follows:

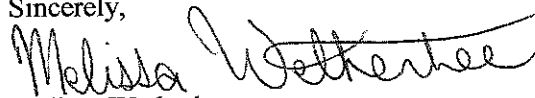
Two-story building with Purgatory Beer Company, Inc. occupying the first floor. Approximately 2,400 sq. ft. indoor space and 367.5 sq. ft. outdoor space. 1 entrance/exit at front of building; loading area on side of building. 1 men's and 1 women's restroom, office, utility room, 1,098 sq. ft. retail area and bar, 370 sq. ft. brew area, and 140 sq. ft. cooler. Outdoor seating on the side of the building 367.5 sq. ft.

James R. Marzec, Chairman  
Northbridge Board of Selectmen  
May 6, 2017

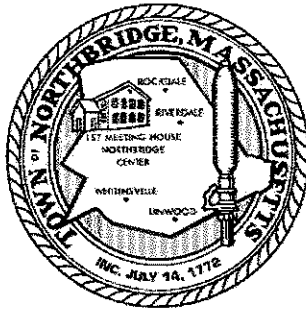
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Please send bill and tear sheets to: Northbridge Town Hall  
Town Manager's Office  
7 Main Street  
Whitinsville, MA 01588

Sincerely,

  
Melissa Wetherbee  
Administrative Assistant

c: Kevin M. Mulvehill  
Abutters



June 29, 2016

[02-SPP-2016]

**NOTICE OF DECISION**  
**NORTHBRIDGE PLANNING BOARD**  

---

**SPECIAL PERMIT –LINWOOD MILL**  
Change of Use (Brewery)

Notice is hereby given that the Northbridge Planning Board, Special Permit Granting Authority (SPGA) has GRANTED a Special Permit (modification of) for the Linwood Mill Complex to allow for a brewery to be located within the existing 2-story accessory building.

After the public hearing was closed (June 28, 2016) a vote of the Planning Board was taken to GRANT SPECIAL PERMIT pursuant to the Planning Board's authority under §173-47 A (1) of the Northbridge Zoning By-Laws and in accordance with Special Permit [01-SPP-2009] dated June 24, 2009 for the Linwood Mill Complex.

Reference is made to Special Permit Decision [02-SPP-2016] dated June 28, 2016 filing with the Office of the Town Clerk (7 Main Street, Whitinsville, MA 01588). The Decision was filed with the Office of the Town Clerk on June 29, 2016. Appeals, if any, shall be made pursuant to M.G.L. and shall be filed within twenty days after the date of filing of decision with the Town Clerk.

Cc: Town Clerk  
Owner/Applicant  
DHCD/CMRPC  
Town of Grafton Planning Board  
Town of Uxbridge Planning Board  
Town of Sutton Planning Board  
Town of Upton Planning Board  
Town of Mendon Planning Board  
Mr. Daniel J. Puccio  
Abutter(s)  
/File



*The Commonwealth of Massachusetts*  
**Alcoholic Beverages Control Commission**  
239 Causeway Street  
Boston, MA 02114  
[www.mass.gov/abcc](http://www.mass.gov/abcc)

Print Form

**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION  
MONETARY TRANSMITTAL FORM**

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL  
LICENSING AUTHORITY.

ECRT CODE: RETA

CHECK PAYABLE TO ABCC OR COMMONWEALTH OF MA: \$200.00

(CHECK MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL)

CHECK NUMBER

157

IF USED EPAY, CONFIRMATION NUMBER

A.B.C.C. LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

LICENSEE NAME

Purgatory Beer Company, LLC

ADDRESS

670 Linwood Ave, Bldg C 111A

CITY/TOWN

Whitinsville

STATE

MA

ZIP CODE

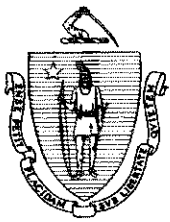
01588

**TRANSACTION TYPE (Please check all relevant transactions):**

- |  |   |   |   |
|--|---|---|---|
| <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Cordials/Liqueurs Permit       | <input type="checkbox"/> New Officer/Director | <input type="checkbox"/> Transfer of License        |
| <input type="checkbox"/> Change Corporate Name           | <input type="checkbox"/> Issuance of Stock              | <input type="checkbox"/> New Stockholder      | <input type="checkbox"/> Transfer of Stock          |
| <input type="checkbox"/> Change of License Type          | <input type="checkbox"/> Management/Operating Agreement | <input type="checkbox"/> Pledge of Stock      | <input type="checkbox"/> Wine & Malt to All Alcohol |
| <input type="checkbox"/> Change of Location              | <input type="checkbox"/> More than (3) \$15             | <input type="checkbox"/> Pledge of License    | <input type="checkbox"/> 6-Day to 7-Day License     |
| <input type="checkbox"/> Change of Manager               | <input checked="" type="checkbox"/> New License         | <input type="checkbox"/> Seasonal to Annual   |   |
| <input type="checkbox"/> Other                           |   |   |   |

THE LOCAL LICENSING AUTHORITY MUST MAIL THIS TRANSMITTAL FORM ALONG WITH THE  
CHECK, COMPLETED APPLICATION, AND SUPPORTING DOCUMENTS TO:

**ALCOHOLIC BEVERAGES CONTROL COMMISSION**  
**P. O. BOX 3396**  
**BOSTON, MA 02241-3396**



*The Commonwealth of Massachusetts*  
*Alcoholic Beverages Control Commission*  
239 Causeway Street  
Boston, MA 02114  
[www.mass.gov/abcc](http://www.mass.gov/abcc)

**APPLICATION FOR A RETAIL ALCOHOLIC BEVERAGES LICENSE**

Please complete this entire application, leaving no fields blank. If field does not apply to your situation, please write N/A.

**1. NAME OF PROPOSED LICENSEE** (Business Contact)

Purgatory Beer Company, LLC

This is the corporation or LLC which will hold the license, **not** the individual submitting this application. If you are applying for this license as a sole proprietor, not an LLC, corporation or other legal entity, you may enter your personal name here.

**2. RETAIL APPLICATION INFORMATION**

There are two ways to obtain an alcoholic beverages license in the Commonwealth of Massachusetts, either by obtaining an existing license through a transfer or by applying for a new license.

Are you applying for a new license ☒ New ☐ Transfer or the transfer of an existing license?

If transferring, please indicate the current ABCC license number you are seeking to obtain:

If applying for a new license, are you applying for this license pursuant to special legislation?

If transferring, by what method is the license being transferred?

☐ Yes ☒ No

Chapter

Acts of

**3. LICENSE INFORMATION / QUOTA CHECK**

City/Town

Whitinsville

On/Off-Premises

On-Premises

TYPE

Farmer Series Pouring Permit

CATEGORY

Malt

CLASS

Annual

**4. APPLICATION CONTACT**

The application contact is required and is the person who will be contacted with any questions regarding this application.

First Name: Kevin

Middle: Michael

Last Name: Mulvehill

Title: Owner

Primary Phone: 774-545-0243

Email: Kevinmulvehill@purgatorybeer.com

**5. OWNERSHIP**

Please list all individuals or entities with a direct or indirect, beneficial or financial interest in this license.

An individual or entity has a direct beneficial interest in a license when the individual or entity owns or controls any part of the license. For example, if John Smith owns Smith LLC, a licensee, John Smith has a direct beneficial interest in the license.

An individual or entity has an indirect beneficial interest if the individual or entity has 1) any ownership interest in the license through an intermediary, no matter how removed from direct ownership, 2) any form of control over part of a license no matter how attenuated, or 3) otherwise benefits in any way from the license's operation. For Example, Jane Doe owns Doe Holding Company Inc., which is a shareholder of Doe LLC, the license holder. Jane Doe has an indirect interest in the license.

A. All individuals listed below are required to complete a Beneficial Interest Contact - Individual form.

B. All entities listed below are required to complete a Beneficial Interest Contact - Organization form.

C. Any individual with any ownership in this license and/or the proposed manager of record must complete a CORI Release Form.

| Name            | Title / Position | % Owned | Other Beneficial Interest |
|-----------------|------------------|---------|---------------------------|
| Kevin Mulvehill | LLC Member       | 50      | 0                         |
| Brian Distefano | LLC Member       | 50      |                           |



# APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

## 5. OWNERSHIP (continued)

| Name | Title / Position | % Owned              | Other Beneficial Interest |
|------|------------------|----------------------|---------------------------|
|      |                  | <input type="text"/> |                           |
|      |                  | <input type="text"/> |                           |
|      |                  | <input type="text"/> |                           |
|      |                  | <input type="text"/> |                           |
|      |                  | <input type="text"/> |                           |

## 6. PREMISES INFORMATION

Please enter the address where the alcoholic beverages are sold.

### Premises Address

Street Number:  Street Name:  Unit:

City/Town:  State:  Zip Code:

Country:

### Description of Premises

Please provide a complete description of the premises, including the number of floors, number of rooms on each floor, any outdoor areas to be included in the licensed area, and total square footage.

| Floor Number | Square Footage | Number of Rooms |
|--------------|----------------|-----------------|
| 1            | 2400           | 5               |
|              |                |                 |
|              |                |                 |
|              |                |                 |
|              |                |                 |
|              |                |                 |
|              |                |                 |

Patio/Deck/Outdoor Area Total Square Footage

Indoor Area Total Square Footage

Number of Entrances

Number of Exits

Proposed Seating Capacity

Proposed Occupancy

### Occupancy of Premises

Please complete all fields in this section. Documentation showing proof of legal occupancy of the premises is required.

Please indicate by what right the applicant has to occupy the premises  Landlord Name

Lease Beginning Term  Landlord Phone

Lease Ending Term  Landlord Address

Rent per Month

Rent per Year

If leasing or renting the premises, a signed copy of the lease is required.

If the lease is contingent on the approval of this license, and a signed lease is not available, a copy of the unsigned lease and a letter of intent to lease, signed by the applicant and the landlord, is required.

Please indicate if the terms of the lease include payments based on the sale of alcohol: ☐ Yes ☒ No

## APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

### 7. BUSINESS CONTACT

The Business Contact is the proposed licensee. If you are applying as a Sole Proprietor (the license will be held by an individual, not a business), you should use your own name as the entity name.

\* Please see last page of application for required documents based on Legal Structure \*

|   |  |
|---|--|
| Entity Name: <input type="text" value="Purgatory Beer Company, LLC"/> | FEIN: <input type="text" value="475573447"/>                         |
| DBA: <input type="text"/>   | Fax Number: <input type="text"/>                                     |
| Primary Phone: <input type="text" value="774-545-0243"/>              | Email: <input type="text" value="kevinmulvehill@purgatorybeer.com"/> |
| Alternative Phone: <input type="text"/>                               | Legal Structure of Entity <input type="text" value="LLC"/>           |

#### Business Address (Corporate Headquarters)

☒ Check here if your Business Address is the same as your Premises Address

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Street Number: <input type="text"/> | Street Name: <input type="text"/> |
| City/Town: <input type="text"/>     | State: <input type="text"/>       |
| Zip Code: <input type="text"/>      | Country: <input type="text"/>     |

#### Mailing Address

☐ Check here if your Mailing Address is the same as your Premises Address

|  |  |
|--|--|
| Street Number: <input type="text" value="22"/> | Street Name: <input type="text" value="Jenna Lane"/> |
| City/Town: <input type="text" value="Sutton"/> | State: <input type="text" value="MA"/>               |
| Zip Code: <input type="text" value="01590"/>   | Country: <input type="text" value="USA"/>            |

Is the Entity a Massachusetts Corporation?

☒ Yes ☐ No

If no, is the Entity registered to do business in Massachusetts?

☐ Yes ☐ No

If no, state of incorporation

#### Other Beneficial Interest

Does the proposed licensee have a beneficial interest in any other Massachusetts Alcoholic Beverages Licenses? ☐ Yes ☒ No

If yes, please complete the following table.

| Name of License | Type of License | License Number | Premises Address |
|-----------------|-----------------|----------------|------------------|
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |

#### Prior Disciplinary Action:

Has any alcoholic beverages license owned by the proposed licensee ever been disciplined for an alcohol related violation?

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
|                |                 |       |      |   |
|                |                 |       |      |   |
|                |                 |       |      |   |

## APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

### 9. FINANCIAL INFORMATION

Please provide information about associated costs of this license.

#### Associated Costs

|   |               |
|---|---------------|
| A. Purchase Price for Building/Land       |               |
| B. Purchase Price for any Business Assets | 18,000        |
| C. Costs of Renovations/Construction      | 72000         |
| D. Purchase Price of Inventory            | 3500          |
| E. Initial Start-Up Costs                 | 8000          |
| F. Other (Please specify)                 |               |
| <b>G. Total Cost (Add lines A-F)</b>      | <b>101500</b> |

Please note, the total amount of Cash Investment (top right table) plus the total amount of Financing (bottom right table) must be equal to or greater than the Total Cost (line G above).

Please provide information about the sources of cash and/or financing for this transaction

#### Source of Cash Investment

| Name of Contributor | Amount of Contribution |
|---------------------|------------------------|
| Brian Distefano     | 25,000                 |
| Kevin Mulvehill     | 25000                  |
| CK Mulvehill        | 70,000                 |
|                     |                        |
| <b>Total:</b>       | <b>120,000</b>         |

#### Source of Financing

| Name of Lender | Amount | Does the lender hold an interest in any MA alcoholic beverages licenses? | If yes, please provide ABCC license number of lender |
|----------------|--------|--|--|
|                |        |  |  |
|                |        |  |  |
|                |        |  |  |
|                |        |  |  |
|                |        |  |  |
| <b>Total:</b>  |        |  |  |

### 10. PLEDGE INFORMATION

Are you seeking approval for a pledge? ☐ Yes ☒ No

Please indicate what you are seeking to pledge (check all that apply)

☐ License ☐ Stock / Beneficial Interest ☐ Inventory

To whom is the pledge is being made:

Does the lender have a beneficial interest in this license? ☐ Yes ☐ No

Does the lease require a pledge of this license? ☐ Yes ☐ No

### APPLICANT'S STATEMENT

I, Kevin Mulvehill the: ☐ sole proprietor; ☐ partner; ☐ corporate principal; ☒ LLC/LLP member  
Authorized Signatory

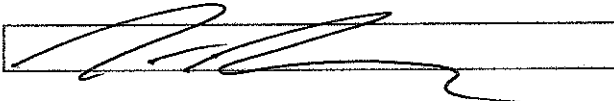
of Purgatory Beer Company, LLC, hereby submit this application for Farm Brewery Pouring License  
Name of the Entity/Corporation Transaction(s) you are applying for

(hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statement and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises does not violate any requirement of the ABCC or other state law or local ordinances;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the Application information as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of, the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.

Signature:



Date: 04/24/2017

Title:

Co- Founder/ Member

# ALCOHOLIC BEVERAGES CONTROL COMMISSION

## **BENEFICIAL INTEREST CONTACT - Individual** (Formerly known as a Personal Information Form)

Please complete a Beneficial Interest - Individual sheet for all individual(s) who have a direct or indirect beneficial interest, with or without ownership, in this license. This includes people with a financial interest and people without financial interest (i.e. board of directors for not-for-profit clubs). All individuals with direct or indirect financial interest must also submit a CORI Authorization Form.

An individual with direct beneficial interest is defined as someone who has interest directly in the proposed licensee. For example, if ABC Inc is the proposed licensee, all individuals with interest in ABC Inc are considered to have direct beneficial interest in ABC Inc (the proposed licensee).

An individual with indirect beneficial interest is defined as someone who has ownership in a parent level company of the proposed licensee. For example, if ABC Inc is the proposed licensee and is 100% owned by XYZ Inc, all individuals with interest in XYZ Inc are considered to have an indirect beneficial interest in ABC Inc (the proposed licensee).

|                    |              |            |                        |             |                                  |           |               |        |            |
|--------------------|--------------|------------|------------------------|-------------|----------------------------------|-----------|---------------|--------|------------|
| Salutation         | Mr.          | First Name | Brian                  | Middle Name | Harvey                           | Last Name | Distefano     | Suffix |            |
| Title:             | Owner        |            | Social Security Number |             |                                  |           | Date of Birth |        | 05/21/1973 |
| Primary Phone:     | 508-234-5663 |            | Email:                 |             | briandistefano@purgatorybeer.com |           |               |        |            |
| Mobile Phone:      |              |            | Fax Number             |             |                                  |           |               |        |            |
| Alternative Phone: |              |            |                        |             |                                  |           |               |        |            |

### **Business Address**

|                |              |              |                           |  |  |
|----------------|--------------|--------------|---------------------------|--|--|
| Street Number: | 670          | Street Name: | Linwood Ave, Bldg C, 111A |  |  |
| City/Town:     | Whitinsville | State:       | MA                        |  |  |
| Zip Code:      | 01588        | Country:     | USA                       |  |  |

### **Mailing Address**

☐ Check here if your Mailing Address is the same as your Business Address

|                |        |              |            |  |  |
|----------------|--------|--------------|------------|--|--|
| Street Number: | 35     | Street Name: | McGuire Rd |  |  |
| City/Town:     | Sutton | State:       | MA         |  |  |
| Zip Code:      | 01590  | Country:     | USA        |  |  |

### **Types of Interest (select all that apply)**

|  |   |  |                                      |                                |
|--|---|--|--------------------------------------|--------------------------------|
| <input type="checkbox"/> Contractual           | <input type="checkbox"/> Director             | <input type="checkbox"/> Landlord        | <input type="checkbox"/> LLC Manager |                                |
| <input checked="" type="checkbox"/> LLC Member | <input type="checkbox"/> Management Agreement | <input type="checkbox"/> Officer         |                                      |                                |
| <input type="checkbox"/> Partner               | <input type="checkbox"/> Revenue Sharing      | <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Stockholder | <input type="checkbox"/> Other |

### **Citizenship / Residency Information**

Are you a U.S. Citizen? ☒ Yes ☐ No      Are you a Massachusetts Resident? ☒ Yes ☐ No

### **Criminal History**

Have you ever been convicted of a state, federal, or military crime? ☐ Yes ☒ No      If yes, please provide an affidavit explaining the charges.

# ALCOHOLIC BEVERAGES CONTROL COMMISSION

## **BENEFICIAL INTEREST CONTACT - Individual** (Formerly known as a Personal Information Form)

Please complete a Beneficial Interest - Individual sheet for all individual(s) who have a direct or indirect beneficial interest, with or without ownership, in this license. This includes people with a financial interest and people without financial interest (i.e. board of directors for not-for-profit clubs). All individuals with direct or indirect financial interest must also submit a CORI Authorization Form.

An individual with direct beneficial interest is defined as someone who has interest directly in the proposed licensee. For example, if ABC Inc is the proposed licensee, all individuals with interest in ABC Inc are considered to have direct beneficial interest in ABC Inc (the proposed licensee).

An individual with indirect beneficial interest is defined as someone who has ownership in a parent level company of the proposed licensee. For example, if ABC Inc is the proposed licensee and is 100% owned by XYZ Inc, all individuals with interest in XYZ Inc are considered to have an indirect beneficial interest in ABC Inc (the proposed licensee).

|                    |              |            |                        |             |                                  |           |               |        |            |
|--------------------|--------------|------------|------------------------|-------------|----------------------------------|-----------|---------------|--------|------------|
| Salutation         | Mr.          | First Name | Kevin                  | Middle Name | Michael                          | Last Name | Mulvehill     | Suffix |            |
| Title:             | Owner        |            | Social Security Number |             |                                  |           | Date of Birth |        | 05/19/1973 |
| Primary Phone:     | 774-545-0243 |            | Email:                 |             | kevinmulvehill@purgatorybeer.com |           |               |        |            |
| Mobile Phone:      |              |            | Fax Number             |             |                                  |           |               |        |            |
| Alternative Phone: |              |            |                        |             |                                  |           |               |        |            |

### **Business Address**

|                |              |              |                           |
|----------------|--------------|--------------|---------------------------|
| Street Number: | 670          | Street Name: | Linwood Ave, Bldg C, 111A |
| City/Town:     | Whitinsville | State:       | MA                        |
| Zip Code:      | 01588        | Country:     | USA                       |

### **Mailing Address**

☐ Check here if your Mailing Address is the same as your Business Address

|                |        |              |            |
|----------------|--------|--------------|------------|
| Street Number: | 22     | Street Name: | Jenna Lane |
| City/Town:     | Sutton | State:       | MA         |
| Zip Code:      | 01590  | Country:     | USA        |

### **Types of Interest (select all that apply)**

|  |   |  |                                      |
|--|---|--|--------------------------------------|
| <input type="checkbox"/> Contractual           | <input type="checkbox"/> Director             | <input type="checkbox"/> Landlord        | <input type="checkbox"/> LLC Manager |
| <input checked="" type="checkbox"/> LLC Member | <input type="checkbox"/> Management Agreement | <input type="checkbox"/> Officer         |                                      |
| <input type="checkbox"/> Partner               | <input type="checkbox"/> Revenue Sharing      | <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Stockholder |
|  |   |  | <input type="checkbox"/> Other       |

### **Citizenship / Residency Information**

Are you a U.S. Citizen? ☒ Yes ☐ No

Are you a Massachusetts Resident? ☒ Yes ☐ No

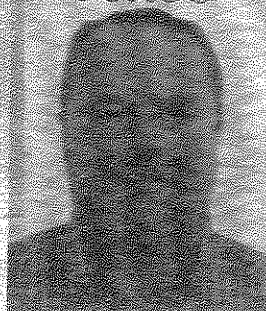
### **Criminal History**

Have you ever been convicted of a state, federal, or military crime? ☐ Yes ☒ No

If yes, please provide an affidavit explaining the charges.

*Of the United States,  
in Order to form a more perfect Union,  
establish Justice, insure domestic Tranquillity,  
provide for the common defence,  
promote the general Welfare, and secure  
the Blessings of Liberty to ourselves  
and our Posterity, do ordain and establish this  
Constitution for the United States of America.*

SIGNATURE OF BEARER / SIGNATURE DU TITULAIRE / FIRMA DEL TITULAR



Type/Type: Tipo \_\_\_\_\_ Code/Code: \_\_\_\_\_ Passport No./No du Passeport/No de Pasaporte \_\_\_\_\_

P USA 477507825

[illegible]

Given Names / Prénoms / Nombres

KEVIN MICHAEL

Nationality / Nationalité / Nacionalidad

UNITED STATES OF AMERICA

Date of birth / Date de naissance / Fecha de nacimiento

19 Mar 1979

Place of birth / Lieu de naissance / Lugar de nacimiento

Sex Sex Sex

NEW YORK, U.S.A.

100

Date of issue / Date de délivrance / Fecha de expedición

Author / Author / Approved

17 Mar 2011

Date of expiration / Date d'expiration / Fecha de caducidad

United States  
Department of State

16 Mar 2021

Endorsements / Mentions Spéciales / Anotaciones

SEE PAGE 27

[illegible]

4775078255USA7305195M2103167243212973<886090

CORPORATE VOTE FORM

DATE: 4/27/2017

At a meeting of the Board of Directors of (name of Corporation),  
Purgatory Beer Company, LLC, held at  
(address of meeting) 670 Linwood Ave, Bldg C 111A, Whitinsville MA 01588, on  
(date of meeting) 4/26/2017, it was duly voted that the Corporation apply to the Local  
Licensing Authority for the Town of Northbridge for (insert action/matter/license being applied for):  
Farmer Series Pouring Permit

The Directors:

"VOTED: To authorize (name of person) Kevin Mulvehill  
to sign the application submitted in the name of (name of Corporation) Purgatory Beer Company, LLC  
Purgatory Beer Company, LLC, and to execute in the Corporation's behalf, any  
necessary papers and do all things required to have the application granted."

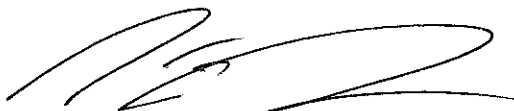
"VOTED: To appoint (name of person) Kevin Mulvehill  
of (name of business/Corporation) Purgatory Beer Company, LLC as its  
manager or principal representative, and hereby grant him/her with full authority and control of the premises described in the  
license and authority and control of the conduct of all business therein as the licensee itself could in any way have and exercise  
if it were a natural person residing in the Commonwealth of Massachusetts."

"VOTED: That a copy of this vote duly certified by the Clerk of the Corporation and delivered to the manager  
appointed, or principal representative, shall constitute the written authority required by G. L. c. 138, § 26."

It is hereby certified that all the Directors of (name of Corporation),  
Purgatory Beer Company, LLC, a Corporation  
duly organized under the laws of the Commonwealth of Massachusetts, are citizens of the United States and a majority are  
residents of the Commonwealth of Massachusetts.

This Corporation has (insert "not," if applicable) been dissolved.

A true copy attest,



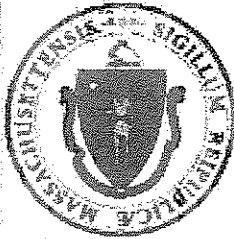
Kevin Mulvehill



Corporation Clerk's signature

Brin Distefano





**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$500.00

Secretary of the Commonwealth, Corporations Division  
One Ashburton Place, 17th floor  
Boston, MA 02108-1512  
Telephone: (617) 727-9640

**Certificate of Organization**

(General Laws Chapter )

Identification Number: 001186120

1. The exact name of the limited liability company is: PURGATORY BEER COMPANY, LLC

2a. Location of its principal office:

No. and Street: 22 JENNA LANE  
City or Town: SUTTON State: MA Zip: 01590 Country: USA

2b. Street address of the office in the Commonwealth at which the records will be maintained:

No. and Street: 22 JENNA LANE  
City or Town: SUTTON State: MA Zip: 01590 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:

BREWERY, TAPROOM AND TASTING ROOM.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: UNITED STATES CORPORATION AGENTS, INC.  
No. and Street: 101 BILLERICA AVE., BLDG. 5, SUITE 204  
City or Town: NORTH BILLERICA State: MA Zip: 01862 Country: USA

I, UNITED STATES CORPORATION AGENTS, INC. resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

6. The name and business address of each manager, if any:

| Title | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|-------|--|---|
|       |  |   |

7. The name and business address of the person(s) in addition to the manager(s), authorized to execute documents to be filed with the Corporations Division, and at least one person shall be named if there are no managers.

| Title         | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------------|--|---|
| SOC SIGNATORY | BRIAN DISTEFANO                                | 22 JENNA LANE<br>SUTTON, MA 01590 USA                         |

|               |                 |                                       |
|---------------|-----------------|---------------------------------------|
| SOC SIGNATORY | KEVIN MULVEHILL | 22 JENNA LANE<br>SUTTON, MA 01590 USA |
|---------------|-----------------|---------------------------------------|

**8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:**

| Title         | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------------|--|---|
| REAL PROPERTY | KEVIN MULVEHILL                                | 22 JENNA LANE<br>SUTTON, MA 01590 USA                         |
| REAL PROPERTY | BRIAN DISTEFANO                                | 22 JENNA LANE<br>SUTTON, MA 01590 USA                         |

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 19 Day of August, 2015,  
LEGALZOOM.COM, INC., A CALIFORNIA CORPORATION, CHEYENNE MOSELEY, ASSISTANT  
SECRETARY**

*(The certificate must be signed by the person forming the LLC.)*

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears  
that the provisions of the General Laws relative to corporations have been complied with,  
and I hereby approve said articles; and the filing fee having been paid, said articles are  
deemed to have been filed with me on:

August 19, 2015 09:01 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized initial "W".

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



## LEASE

Lease Agreement made this 19<sup>th</sup> day of August, 2016, between LINWOOD MILL, LLC, a Massachusetts Limited Liability Company having its principal place of business at 1167 Providence Road, Whitinsville, Massachusetts 01588, hereinafter referred to as "Landlord", and PURGATORY BEER COMPANY, LLC, having a principal place of business at 22 Jenna Lane, Sutton, MA 01590, hereinafter referred to as "Tenant".

## WITNESSETH

THAT, in consideration of the covenants herein contained, Landlord hereby leases and Tenant hereby rents the following described Leased Premises:

A certain area consisting of approximately 2400 square feet of floor area located in the so-called Store House within the LINWOOD MILL complex, 670 Linwood Avenue, Linwood, MA 01525 (hereinafter referred to as the "Leased Premises"). The Leased Premises shall include the right to share, in common with others, all common areas, hallways, stairways, walkways and parking areas. Landlord specifically reserves the right to make rules and regulations regarding the use of common areas and the parking areas to the extent that Landlord may prohibit or limit the use of the same and in the case of parking, in Landlord's sole judgment, Landlord may prohibit employee parking except within certain areas or require employees to park off site if in the judgment of Landlord that becomes necessary or desirable in order that there be sufficient customer and resident parking for all users of said parking area.

Upon the Commencement Date of this Lease Landlord shall deliver to Tenant the Leased Premises in accordance with Exhibit A attached hereto and incorporated herein. Tenant agrees to make all alterations or renovations desired by Tenant, all in accordance with the provisions of paragraph 15 herein, at Tenant's sole cost and expense.

1. **TERM & RENEWALS:** The term of this Lease shall be for a period of three (3) years commencing on September 1, 2016, (the Commencement Date). Provided Tenant is not then in default, Tenant shall have the option to extend this lease for an additional three (3) year period (the Option Period) by giving Landlord at least six (6) months' written and signed notice prior to the expiration of the term. The term and the Option Period are together referred to herein as the term.

2. **RENT:** Rent shall become due and payable upon the Commencement Date:

During the three (3) year Term:

During the first four months of the first year of the term of this Lease rent shall be in the amount of Twelve Hundred and 00/100 (\$1,200.00) DOLLARS per month.

During the next four months of the first year of the term of this Lease rent shall be in the amount of Fourteen Hundred and 00/100 (\$1,400.00) DOLLARS per month.

During the last four months of the first year of the term of this Lease rent shall be in the amount of Fifteen Hundred and 00/100 (\$1,500.00) DOLLARS per month.

During the second year of the term of this Lease rent shall be in the amount of Sixteen Hundred and 00/100 (\$1,600.00) DOLLARS per month.

During the third year of the term of this Lease rent shall be in the amount of Eighteen Hundred and 00/100 (\$1,800.00) DOLLARS per month.

During the three (3) year Option Period:

During the first year of the Option Period of this Lease rent shall be in the amount of Two Thousand and 00/100 (\$2,000.00) DOLLARS per month.

During the second year of the Option Period of this Lease rent shall be in the amount of Two Thousand Two Hundred and 00/100 (\$2,200.00) DOLLARS per month.

During the third year of the Option Period of this Lease rent shall be in the amount of Two Thousand Four Hundred and 00/100 (\$2,400.00) DOLLARS per month.

All rent payments shall be made on the first day of each month in advance. Rent for any partial month shall be equitably adjusted. All rent payments shall be made payable to Landlord and delivered to Landlord, at Landlord's address by a good check payable in U.S. funds.

Throughout the term of this Lease, rent shall be increased by the Triple Net Charges as set forth below, which charges shall be considered as additional rent:

(a) Taxes, Assessments and Insurance: Tenant shall pay an amount equal to its proportionate share of any and all real estate taxes and municipal assessments levied, as well as commercially reasonable insurance premiums on the Leased Premises and appurtenant areas. Tenant's share of such taxes, assessments and insurance shall be equitably adjusted for and with respect to any portion of the term of this Lease which does not include an entire period.

(b) Parking Lot, Snow Plowing and Common Area Charges: Landlord agrees that Landlord will be responsible for contracting for services and Tenant agrees to pay an amount equal to its proportionate share of the commercially reasonable costs of services for the plowing and removal of snow from the parking lot, driveway and walkways and reasonably maintaining the parking lot and common areas, including, but not limited to, maintaining the existing and future lighting, landscaping, building and common areas in their current degree of maintenance and repair. Common Area charges shall include, but not be limited to all reasonable and legitimate general maintenance and other commercially reasonable costs and expenses of every kind and nature relating in any way to the ownership, operation, repair and maintenance of the Leased Premises and appurtenant areas of which the Leased Premises is a part, but exclusive of structural repairs. Also excluded from the calculation of the additional rent charges shall be the following:

1. All expenses for which Landlord is compensated directly by third parties (such as other tenants) or by insurance proceeds;
2. All costs covered by warranties of manufactures, suppliers or contractors;
3. All costs associated with the construction of tenant improvements made specifically and exclusively for other tenants of this building.

(c) For purposes of the preceding two (2) paragraphs (a) and (b), Tenant's proportionate share shall be calculated based on that fraction determined by the ratio of square footage occupied by Tenant which will be considered to be 2,400 square feet as compared to the total square footage of the commercial space floor area of which the Leased Premises are a part. IT IS THE INTENT OF THIS AGREEMENT THAT TENANT'S OCCUPANCY OF THE LEASED PREMISES SHALL BE NET, NET, NET TO LANDLORD.

(d) Payments to be made under the preceding paragraphs shall be paid by Tenant (i) within thirty (30) days of being presented with a bill for the same or (ii) at the option of Landlord, Tenant shall pay one-twelfth (1/12) of the estimated annual expense for the same with each monthly rent payment. Landlord shall adjust the monthly payments based on actual billings within sixty (60) days of the close of each calendar year.

(e) During the initial three (3) year term of this lease Tenant's proportionate share of Triple Net Charges shall not, in any twelve (12) month period, exceed Three Thousand Dollars (\$3,000.00).

Tenant shall have the right, within sixty (60) days of the close of the calendar year to audit the books and records relating to Common Area Charges at the location where the books and records are typically kept by Landlord. Any adjustments required by said audit shall be made within thirty (30) days of notice of the same.

3. UTILITIES: Tenant agrees to pay promptly all bills chargeable to the Leased Premises for electricity, gas, water, sewer and any other utilities separately metered (including Landlord sub-metering, if any) and consumed by Tenant, whether for heat, air conditioning or otherwise. Tenant shall be responsible for its own cleaning and rubbish removal. Landlord shall not be responsible to provide utilities other than those existing in the Leased Premises at the time of execution of this Lease unless otherwise set forth herein.
4. PROHIBITED USES: The following uses shall be prohibited in the Leased Premises:
  - a) a business which sells primarily X-rated or pornographic materials or products or exhibits either live or by other way means nude or partially clothed dancers or wait staff; or
  - b) a business which emits an obnoxious odor, materials, noise, sound, or excessive dust which can be deemed to be a nuisance outside of the first floor of the Demises Premises, except for a restaurant or for a related use. It is expressly agreed that Tenant's current business operations are not in any way prohibited; or
  - c) pawn shop, check cashing business, tattoo parlor, sell illegal drugs or drug related paraphernalia, or any gun shop or shop with the sale of guns as its main business; or
  - d) any central laundry or dry cleaning plant.

5. USE OF LEASED PREMISES: Tenant agrees to use said Leased Premises for the purpose of carrying on its business brewery, taproom and tasting room with related services as are usual and customary but not otherwise prohibited herein, and for no other purpose. Tenant at its sole expense shall comply with all laws, orders, and regulations of Federal, State and Municipal authorities and with any direction of any public officer pursuant to law, which shall impose any duty upon Landlord or Tenant with respect to the Linwood Mill or the Leased Premises and shall observe and comply with such reasonable rules and regulations as may be promulgated by Landlord. Tenant, at its sole expense, shall obtain all licenses or permits which may be required for the conduct of its business within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and Landlord, where necessary, will join with Tenant in applying for all such permits or licenses at Tenant's expense. Tenant shall be solely responsible to pay any and all personal property taxes assessed on Tenant's property within the Leased Premises.

In addition to the Prohibited Uses herein, Tenant shall make absolutely no use of the Leased Premises which would knowingly increase the premium of, or cause to be cancelled any insurance policies affecting the Linwood Mill complex or any of its tenants; necessitate renovation of any common area; generally be considered dangerous, offensive, bothersome, unlawful or a nuisance; or generally adversely affect the reputation or goodwill of the businesses within the Linwood Mill complex.

6. REPAIRS: Tenant, during the term of this Lease or any extensions or renewals thereof, shall, at its sole expense, make all repairs as shall be necessary to keep said Leased Premises in good repair, including but not limited to repair of the plumbing, electrical, heating, ventilating, and air conditioning systems, doors, windows, glass; and walls, ceilings and floors except for structural defects not resulting from acts of Tenant. Tenant further agrees that all damage or injury done to the Linwood Mill or the Leased Premises by Tenant or by any person who may be in or upon the Leased Premises, except such injury or damage as may be done by Landlord, Landlord's agents, servants, or employees, shall be repaired by Tenant at its expense. Any damage or injury done to the Leased Premises by Landlord, its agents, servants, or employees shall be repaired by Landlord. In addition to Landlord's responsibility to repair as set forth in this paragraph Landlord agrees to maintain the structural portion of the outside walls, roof and floor of the building within which the Leased Premises are a part. Tenant agrees to promptly and regularly remove all rubbish from the Leased Premises at Tenant's cost and expense and not allow the same to accumulate.

Notwithstanding any provisions of this Lease to the contrary, Tenant shall be primarily responsible to keep the common areas immediately adjacent to the Leased Premises free of litter, rubbish and debris between the times of Landlord's normal maintenance of the same.

Tenant will inspect and accept the Leased Premises upon commencement of this lease and agrees that, at the expiration of this Lease or upon earlier termination thereof, to quit and surrender said Leased Premises in good condition, excepting reasonable wear, damage by fire or other casualty or other causes beyond the control of Tenant.

7. LANDLORD'S ENTRY: Tenant shall permit Landlord and his agents to enter the Leased Premises at reasonable times to inspect the same and to make any repairs which are the responsibility of Landlord, to make repairs or perform maintenance to adjoining areas and further to show the



Leased Premises at the end of the term or any extensions thereof to prospective tenants. Landlord shall not unreasonably interfere with Tenant's quiet enjoyment of the Leased Premises while conducting Landlord's rights hereunder.

8. INSOLVENCY: If any proceedings in bankruptcy or insolvency are filed against Tenant or if any writ of attachment or writ of execution is levied upon the interest herein of Tenant, and such proceedings or levies shall not be released or dismissed within thirty (30) days thereafter, or if any sale of the leasehold interest hereby created or any part thereof should be made under any execution or other judicial process, or if Tenant shall make any assignment for the benefit of creditors or shall voluntarily institute bankruptcy or insolvency proceedings, Landlord, at Landlord's election, may re-enter and take possession of said Leased Premises and remove all persons therefrom and Tenant covenants and agrees, notwithstanding any entry or re-entry by Landlord, whether by summary proceedings, termination or otherwise, to pay and be responsible for the days originally fixed hereunder for the payments thereof, amounts equal to the several installments of rent and other charges reserved as they would, under the terms of this Lease, become due if this Lease had not been terminated or if Landlord had not entered or re-entered as aforesaid, including but not limited to legal fees, costs, and charges incurred. Landlord agrees to use reasonable efforts to mitigate Landlord's damages.
9. NON-WAIVER OF DEFAULT: The subsequent acceptance of rent hereunder by Landlord shall not be deemed a waiver of any preceding breach of any obligations hereunder by Tenant other than the failure to pay the particular rental so accepted and the waiver of any breach of any covenant or condition by Landlord shall not constitute a waiver of any other breach regardless of knowledge thereof.
10. INSURANCE: Tenant at its own expense shall provide and keep in force, for the benefit of Landlord, commercial general liability insurance in which Landlord shall be named as an additional insured with minimum limits of \$1,000,000.00 and minimum limits of \$500,000.00 for property damage. The policy(s) shall contain a provision that the insurer will not cancel or change the insurance without first giving Landlord not less than ten (10) days prior written notice. Tenant shall deposit said insurance policies or certificates of insurance with Landlord within ten (10) days prior to the commencement date hereof.

Additionally, during the term of this Lease, Tenant will indemnify and save harmless Landlord against and from any and all third party claims by or on behalf of any person arising from the conduct or management of or from any work or thing whatsoever done in or about the Leased Premises by any person lawfully in or about said Leased Premises except as to negligence of Landlord, its agents, servants, employees, invitees, or causes under Landlord's control.

11. FIRE OR OTHER CASUALTY LOSS: In the event of damage or destruction of the Leased Premises by fire or other unavoidable casualty so that the same shall thereby be rendered unfit for use or otherwise substantially impairs Tenant's ability to conduct its business, unless Landlord terminates this lease as provided below, Landlord shall restore, or cause to be restored, said Leased Premises to the pre-damage condition with reasonable diligence within one hundred eighty (180) days, during which period Tenant shall have all rents abated. In the event of damage or destruction of the Leased Premises by fire or other unavoidable casualty so that the same shall thereby be rendered unfit for use or otherwise substantially impairs Tenant's ability to conduct its business,

and the said Leased Premises (and the mill building in which the commercial space and the Leased Premises are a part) cannot be restored with reasonable diligence within one hundred eighty (180) days, or in the event of substantial damage or destruction to the commercial space generally, or to the residential areas above which results in substantial impairment of the use of the commercial space generally, and the same is not economically feasible for Landlord to cure, then this Lease and the said term shall terminate at the election of either Tenant or Landlord and if neither shall so elect, then in case of any such destruction or damage to the Leased Premises rendering the same unfit for use or occupation, a just proportion of the rent hereinafter reserved, according to the nature and extent of the injury sustained by the Leased Premises shall be abated according to the amount in value of such remaining space and not adjusted solely on the basis of square footage.

12. DAMAGE AND LOSS: To the maximum extent that this Agreement may be made effective according to law, Tenant agrees that Landlord shall not be responsible or liable to Tenant or those claiming by, through, or under Tenant, for any loss or damage resulting to Tenant or those claiming by, through or under it or its or their property from dust, condensation, the breaking, bursting, stopping or leaking of electric cables, wires or water, gas, sewer or steam pipes, and like loss or damage, unless caused by negligence of Landlord, its agents, servants or employees.

Tenant will indemnify Landlord and hold it harmless from and against any and all third party claims, actions, damages, liability and expense in connection with loss of life, personal injury arising from or out of any occurrence in, upon, or at the Leased Premises, or the occupancy or use by Tenant of the Leased Premises or any part thereof or occasioned wholly or in part by any negligent act or omission of Tenant, its agents, contractors, employees, servants, lessees or concessionaires. In case Landlord shall be made a party to any litigation commencing by or against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses, reasonable attorney's fees and judgments or damages incurred or paid by Landlord in connection with such litigation unless such litigation is due to the negligence of Landlord, its agents, servants, employees or invitees. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements in this Lease as against Tenant. Notwithstanding the foregoing, Tenant will not be liable for any legal expenses incurred by Landlord in a suit between Landlord and Tenant in which final judgment is for Tenant.

Additionally, Landlord shall indemnify and hold Tenant harmless from and against claims by third parties for any loss or damage to property or person to the extent caused by the acts or omissions of Landlord or its agents or employees or occasioned wholly or in part by any negligent act or omission of Landlord, its agents, contractors, employees, servants, lessees or concessionaires. Landlord shall be responsible for obtaining and maintaining insurance covering the building, and Tenant shall be responsible for insuring its fixtures and contents, against fire and other causes included in standard extended coverage by policies.

Landlord and Tenant shall be relieved of their respective obligations of indemnity to the extent of the amount actually recovered by Landlord or Tenant from one or more of the insurance carriers of Tenant or Landlord. The indemnities and releases set forth in the Lease shall survive the expiration of the term of this Lease.

13. PLATE-GLASS: Tenant agrees to be responsible for any necessary maintenance, repair and/or replacement of all plate-glass and all glass in all interior and exterior windows and doors.
14. QUIET ENJOYMENT: Tenant upon paying the basic rent and all additional rent and other charges herein provided for, and performing and observing all the terms and conditions of this Lease, shall be entitled to the quiet enjoyment and possession of the Leased Premises without hindrance or moles-station by anyone claiming by or through Landlord, subject, however, to the reservations and conditions of this Lease.
15. ALTERATIONS AND RENOVATIONS: Tenant agrees to make no structural or permanent alterations or renovations to the Leased Premises without first having submitted a plan of the same to Landlord and obtaining the express written consent of Landlord. All such alterations, rebuildings, replacements, additions, improvements on or in the Leased Premises after the commencement of the term and which may be erected, installed or affixed on or in the Leased Premises shall be at Tenant's sole expense and shall become the sole property of Landlord and be deemed to be part of the Leased Premises, except that all movable trade fixtures provided they are not permanently attached to or made a part of any ceiling or wall shall be and remain the property of Tenant, provided, however, that after the removal of any such movable trade fixtures the Leased Premises are to be returned to a condition with all wires and pipes capped but not filled and all holes repaired. For the avoidance of doubt, all of Tenant's brewing equipment and a tankless hot water heater to be provided by Tenant shall constitute trade fixtures which remain the property of Tenant and which Tenant shall be entitled to remove upon Tenant's vacating the Leased Premises. Any damages sustained to the Leased Premises by removal of Tenant's trade fixtures shall be repaired at Tenant's sole expense. Notwithstanding the above, Landlord reserves the right to require that all or any portion of Tenant's improvements, alterations and renovations, as well as trade fixtures and personal property, be removed by Tenant at Tenant's expense upon Tenant's vacating the Leased Premises so as to leave the Leased Premises in substantially the same condition as at the commencement of this Lease. For the purposes of this paragraph, the term "movable trade fixtures" shall not include any lighting, bathroom, heating, ventilating, air conditioning and other like fixtures, not limited to the above. Any alterations or improvements to the Leased Premises made by Tenant shall be completed only by licensed and insured professionals holding all applicable permits and approvals. All work shall be completed timely and in a good workmanlike manner and in accordance with all applicable codes and permits. Tenant shall provide Landlord with evidence of each professional's insurance to Landlord's reasonable satisfaction before commencement of work.

No renovations or improvements what so ever shall be made to the exterior of the Leased Premises without the express written consent of Landlord irrespective of any waiver of the obligation to obtain written consent for other renovations, improvements, or alterations as set forth herein.

Notice is hereby given that Landlord shall not be liable for any labor or materials furnished, or to be furnished to Tenant directly by a third party (and not by or through Landlord) upon credit and that no mechanic's liens or other lien for any such labor, materials shall attach to or affect the reversionary or other estate or interest of Landlord in and to the Leased Premises. Tenant further agrees to indemnify Landlord against any and all costs, damages and expenses it may suffer on account of the same. Tenant shall cause the same to be removed or dissolved by bond.

Landlord agrees, at Landlord's sole expense, to complete the Landlord's Work set forth on Schedule A, which work shall be completed by Landlord or its agent by or before the Commencement Date or such other mutually agreed date.

16. ABANDONMENTS: Tenant agrees not to vacate or abandon the Leased Premises at any time during the demised term. Should Tenant vacate or abandon said Leased Premises or be dispossessed by process of law or otherwise, such abandonment or dispossession shall be a breach of this Lease, and in addition to any other right which Landlord may have, Landlord may remove any personal property belonging to the same, such removal and storage to be for the account of Tenant.
17. ASSIGNMENTS AND SUBLETTING: Tenant shall not assign or sublet this Lease or any interest therein. The acceptance of rent from any person other than Tenant shall not relieve Tenant from his obligations under this paragraph or operate as an acceptance of any assignment or subletting.
18. HOLDING OVER: Any holding over after the expiration of said term or any extended term hereof without the consent of Landlord shall be construed to be a tenancy at sufferance.
19. SUBORDINATION: Tenant agrees to subordinate its rights under this Lease to any mortgages that have heretofore or are hereafter placed on the Leased Premises and agrees not to encumber its leasehold interest. No instrument executed by Tenant shall be necessary to effectuate such subordination; however, upon request of Landlord Tenant hereby agrees to immediately execute such instrument of subordination as Landlord may reasonably request without delay or conditions. Landlord agrees to use reasonable efforts to obtain from mortgagees a non-disturbance and attornment agreement, however, Tenant's obligations herein are not contingent on the execution of such an agreement by a mortgagee. Both Landlord and Tenant further agree to immediately execute such documents as may be reasonably requested by the other to reflect the current status of the Lease with respect to rent and other payments, defaults and the like.
20. CONDEMNATION: If the whole of the Leased Premises shall be taken or condemned by any competent authority for any public use or purpose, then the term hereby granted shall cease on the day prior to the taking of possession by such authority or on the day prior to the vesting of title in such authority, whichever first occurs, and rent hereunder shall be paid to and adjusted as of that day. Landlord agrees to give written notice of such taking to Tenant promptly. If a portion of said Leased Premises shall be taken or condemned, and, as a result thereof, there shall be such a major change in the character of the Leased Premises as to prevent Tenant from using the same in substantially the same manner as theretofore used, then, and in that event, Tenant or Landlord may either cancel and terminate this Lease as of the date when the part of the Leased Premises so taken or condemned shall be required for such public purpose or the said Tenant may continue to occupy the remaining portion, provided, however, Tenant shall give written notice to Landlord within fifteen (15) days after receipt of notice from Landlord of any taking or vesting of title, of its election. In the event Tenant shall remain in possession and occupation of the remaining portion, all the terms and conditions of this Lease shall remain in full force and effect with respect to such remaining portion, except that the rent reserved to be paid hereunder shall be equitably adjusted according to the amount in value of such remaining space, and not adjusted solely on the basis of square footage.

Landlord reserves to himself and Tenant assigns to Landlord all rights to damages accruing on account of any taking under the power of eminent domain by reason of any act of any public or quasi-public authority for which damages are payable. Tenant agrees to execute such instruments of assignment as may be required by Landlord in any proceedings for the recovery of such damages if requested by Landlord. Landlord does not reserve to himself and Tenant does not assign to Landlord any damages payable for movable trade fixtures installed by Tenant or anyone claiming under Tenant.

21. RIGHT TO PERFORM OBLIGATIONS: If Tenant shall default in the performance of any covenant or condition in this Lease required to be performed by Tenant, Landlord shall be entitled to all available remedies under the law; and Landlord may, but shall not be obligated to perform such covenant or condition to rectify the default for the account and at the expense of Tenant after thirty (30) days written notice of the default, except for non-payment of rent, or without notice, if in Landlord's opinion an emergency exists and notice is not reasonably possible. If Landlord shall incur any expense, including reasonable attorney's fees, in instituting, prosecuting or defending any action or proceeding instituted by reason of any default of Tenant, Tenant shall reimburse Landlord for the amount of such expenses. Should Tenant, pursuant to this Lease, become obligated to reimburse or otherwise pay Landlord any sum of money in addition to the specific rent, the amount thereof shall be deemed additional rent and may, at the option of Landlord be added to any subsequent installment of the specific rent due and payable under this Lease, in which event Landlord shall have the remedies for default in the payment of rent provided by this Lease. The provisions of this paragraph shall survive the termination of this Lease.

In the event of nonpayment of rent continuing for ten (10) business days, without prior notice to Tenant, Landlord shall have such remedies to which he is entitled under law. In addition, all rent not paid when due (the first day of each month) shall thereafter be subject to a late charge in the amount of five percent (5%) of the amount of the monthly installment overdue. In accordance with Paragraph 9 herein, the subsequent acceptance of rent shall not be deemed a waiver of any preceding breach and acceptance of any partial payment of rent shall not relieve Tenant from the obligation to pay the additional amounts due hereunder, including interest as provided for herein.

The remedies of Landlord hereunder shall be cumulative and any delay or extension in enforcement shall not be deemed a waiver of Landlord's rights.

Any provision in the Lease to the contrary notwithstanding, if Landlord fails to perform its obligations under the Lease and such failure (a) interferes substantially with the normal use of the Premises or appurtenant parking and/or other common areas by Tenant as allowed herein, and (b) continues for more than three (3) consecutive business days without Landlord commencing a cure, then rent shall be proportionately abated until such interference is eliminated or the Premises are otherwise rendered tenantable again. Additionally, if such interference continues for a period of thirty (30) or more consecutive days, unless the same cannot reasonably be cured within said 30 day period provided Landlord is using reasonable efforts to cure, then Tenant shall have the right and option to cancel the Lease by giving written notice to Landlord within 15 days after the end of such 30 day period.

If Landlord defaults in the observance or performance of any material term or covenant required to be performed by it under the Lease, Tenant after not less than 30 days notice to

Landlord may, but shall not be obligated to, remedy such default and in connection therewith may pay or incur reasonable expenses. Notwithstanding the foregoing, Tenant shall not have such right in the event Landlord takes action to cure the default within such 30 day period but is unable, by reason of the nature of the work involved, to cure the same within such period, provided Landlord continues such work diligently and without unnecessary delays. Additionally, Tenant shall have the right to remedy any default of an emergency nature in the event Landlord fails to commence curing any default creating an emergency situation promptly upon being given notice which is reasonable under the circumstances, and Tenant shall have the right to remedy such a default without notice (if the giving of notice is not reasonably practicable) in the event of an emergency. All sums expended or obligations incurred by Tenant in connection with the foregoing shall be paid by Landlord to Tenant upon demand, and if Landlord fails to reimburse Tenant, Tenant may, in addition to any other right or remedy that Tenant may have, deduct such amount from subsequent installments of rent hereunder which from time to time thereafter become due to Landlord.

22. HAZARDOUS MATERIALS: Tenant hereby covenants (a) that the Leased Premises will not be used for the generation, storage, treatment, use, or disposal of hazardous and toxic waste, (b) to deliver promptly to Landlord and to Landlord's Mortgagee copies of any notices received by Tenant in connection with the presence (or alleged presence) of Materials in or upon the Leased Premises, (c) to allow both Landlord and Landlord's mortgagee or agent periodically to inspect the Leased Premises, and (d) to indemnify and hold harmless both Landlord and Landlord's mortgagee from and against all loss, liability, damage, and expense, including reasonable attorney's fees, arising from the presence of Materials in or upon the Leased Premises but only to the extent that Tenant generated, used on the Leased Premises, or otherwise knowingly permitted such Materials to be brought upon the Leased Premises.

Materials, for the purposes of this section, means oils, hazardous materials, hazardous wastes, or hazardous substances or chemicals as such terms are defined under the Comprehensive Environmental Response Compensation and Liability Act, as amended, the Resource Conservation and Recovery Act of 1976, as amended and the regulations promulgated thereunder, and all applicable state and local laws, rules and regulations including without limitation MGL Ch. 21C and Ch. 21E (collectively, "The Superfund and Hazardous Waste Laws").

Tenant's obligations to hold harmless and indemnify Landlord under this Lease shall not apply to any condition such as hazardous waste or otherwise existing upon the Leased Premises prior to the term of this Lease.

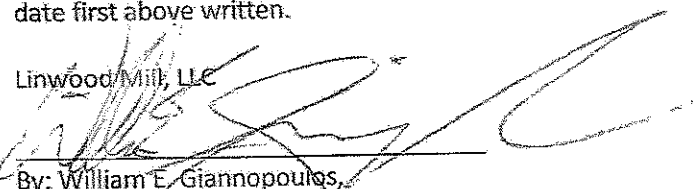
23. SIGNS: Tenant shall not erect, place or allow to be placed on the Leased Premises or any part of Landlord's property any sign of any nature without the prior written consent of Landlord. In addition to Landlord's approval, any signage may be subject to historical or other commission or board approvals. Landlord reserves the right to regulate all aspects of signage. Upon the termination of this Lease, at Landlord's request, Tenant agrees to remove any or all signs erected by Tenant.
24. NOTICE AND RENT PAYMENTS: All notices to be given to Tenant shall be in writing, deposited in the United States mail, Certified, Return Receipt Requested, and addressed to Tenant at 670 Linwood Avenue, Linwood, Massachusetts 01525. All notices addressed to Landlord shall be in

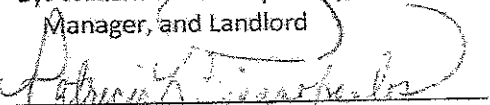
writing, deposited in the United States mail, Certified, Return Receipt Requested, and addressed to Landlord at 1167-7 Providence Road, Whitinsville, Massachusetts 01588. All notices shall be effective upon receipt. Rents shall be mailed to Landlord at the above address or such other address as Landlord may designate.

25. SEVERABILITY: If any provision of this Lease shall be declared unenforceable or illegal by any court of competent jurisdiction then insofar as is possible the remainder of this Lease shall remain in full force and effect.
26. HEADINGS: The headings are used only as a matter of convenience and are not to be considered a part of this Agreement or to be used in determining the intent of the parties in interpreting its provisions.
27. CONFIDENTIALITY: Landlord and Tenant will maintain all confidential information in confidence and will not disclose such information to any other party without written consent. "Confidential Information" includes the terms of this Lease and any and all information whether in oral, written or other form, which is communicated by Landlord to Tenant relating to Landlord's proposed development of the Leased Premises, including but not limited to architectural plans, specifications, site plans and drawings (regardless of whether such information is labeled as confidential). Confidential Information may be released to Tenant's attorneys, employees, partners, consultants and lenders who have a reasonable need for such Confidential Information, provided that such individuals agree to maintain the confidential nature of the information.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as a sealed instrument on the date first above written.

Linwood Mill, LLC

By:   
William E. Giannopoulos,  
Manager, and Landlord

By:   
Patricia L. Giannopoulos,  
Manager, and Landlord

Purgatory Beer Company, LLC

by:   
Kevin Mulvehill, Member

by:   
Brian DiStefano, Member

Leases, Bus-Linwood Mill-StoreHouse-Purgatory Beer-FINAL

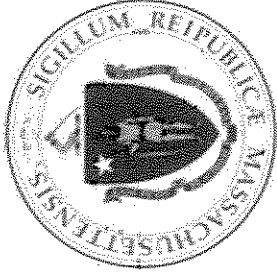
# The Commonwealth of Massachusetts

## Department of the State Treasurer

License Number: FB-LIC-000179

Record Number: 2017-000011-FB-APP

Capacity: 5K Barrels or Less



### Alcoholic Beverages Control Commission

Hereby Grants a Farmer-Brewery License

Purgatory Beer Company LLC

670 Linwood Ave 111A Whitinsville, MA 01588

This license authorizes the holder to manufacture and brew, keep and expose for sale and to sell in kegs, casks, barrels, or other containers malt containing not more than 12 per cent of alcohol by weight.

This license is subject to the following conditions:

1. The licensed premises and all books, records and other documents relating to the business authorized to be conducted under this license shall be subject to inspection at any time by any member of the Commission or any duly authorized agent thereof.
2. Alcoholic beverages shall not be kept or exposed for sale on premises other than those described in this license.
3. Alcoholic beverages shall not be sold to any person under twenty-one years of age, or delivered to any person under eighteen years of age.
4. This license authorizes the holder to package and sell malt beverages brewed by him to any person authorized under the provisions of Chapter 138 of the General Laws, as amended, to re-sell such beverages, and to make sales as provided by Sections 28 and 19C of said Chapter 138, as amended.
5. Licensees hereunder shall not sell or deliver alcoholic beverages on Sundays or legal holidays (except to Section 14 licensees); nor shall any sales or deliveries of such beverages be made to retail licensees during polling hours on the day on which a State or Municipal election, primary or caucus is being held unless sales by such licensees are authorized by Local Licensing Authorities of the City or Town wherein their licensed premises are situated. Sales and deliveries hereunder are authorized on other days between the hours of 8:00 o'clock AM and 1:00 o'clock PM only.
6. This license is subject to suspension, cancellation or revocation for breach of any of its conditions or for violation of any law of the Commonwealth.

This license is issued conditionally and subject to the fact that there exists no breach of any condition of any previous license or violation of any law of the Commonwealth under any previous license and this license shall be subject to revocation, cancellation, modification or suspension for any such breach of condition or violation of law.

2017

This License will expire  
12/31/2017 unless otherwise  
suspended or revoked during this period

IN WITNESS WHEREOF, the undersigned have hereunto affixed their official signatures this April 7, 2017.

*Jean M. Lorizio*

Jean Lorizio, Chairman

*Elizabeth Lashway*

Elizabeth Lashway, Commissioner

*Kathleen McNally*

Kathleen McNally, Commissioner

This License Shall Be Displayed on the Premises in a Conspicuous Place Where It Can Be Easily Read.

Fee \$ 22.00



# NTM License Slips

Row 2

**Current Status** On Selectmen's Agenda 5/22/17

**Done**

**License ID:** NTM#16030

**License Type:** Farmer Series Pouring Permit

**Description:** New license application for a Farmer Series Pouring Permit- Applicant has already acquired State Farmer Brewery License. Applicant is looking to use the Ally on the side of building as a roped off outdoor seating area

**Business:** Purgatory Beer Company, LLC

**Applicant:** Kevin Mulvehill

**Address:** 670 Linwood Avenue, Building C, 111A

**Approval Target** 05/04/17

**Slip Started on:** 04/27/17 10:58 AM

**PLANNING**  
**Approve:** ✓

**PLANNING**  
**Comments:** Planning Board approved/issued Special Permit (June 2016) to allow for business establishment to locate within the historic Linwood Mill Complex -see Notice of Decision attached

**POLICE**  
**Approve:** ✓

**POLICE**  
**Comments:** bartenders need to be TIPS certified; Please contact the police department prior to opening date so an officer can discuss the towns alcohol policy with the manager

**FIRE Approve:** ✓

**FIRE Comments:**

**BUILDING**  
**ZONING**  
**Approve:** ✓

**BUILDING**  
**ZONING**  
**Comments:** Approved -JS

**CONSERVATION** ✓  
**Approve:**

**CONSERVATION**

**Comments:**

**HEALTH**

**Approve:**

✓

**HEALTH**

**Comments:**

Applicant is in process of obtaining required Food Permit from BOH.

**ASSESSORS**

**Approve:**

✓

**ASSESSORS**

**Comments:**

No Issues

**TREASURER**

**COLLECTOR**

**Approve:**

✓

**TREASURER**

**COLLECTOR**

**Comments:**

Phone: 774 545 0243

THE COMMONWEALTH OF MASSACHUSETTS

TOWN OF NORTHBRIDGE

APPLICATION FOR COMMON VICTUALLER LICENSE

B2

TO THE LICENSING AUTHORITIES:

The undersigned hereby applies for a License in accordance with the provisions of the Statutes relating thereto  
(FULL NAME OF PERSON, FIRM OR CORPORATION MAKING APPLICATION):

Purgatory Beer Co., LLC

No wine!

STATE CLEARLY PURPOSE FOR WHICH LICENSE IS REQUESTED: [Common Victualler]

TO: The ability to pour 12-16 oz malt beverages  
at our Taproom / Brewery. ~~Pour wine as~~  
~~well if possible via Farm Brewing License.~~

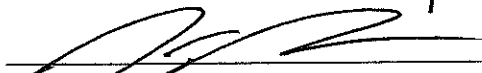
GIVE LOCATION BY STREET AND NUMBER:

AT: 670 Linwood Ave, Bldg C 111A  
Whitinsville, MA 01588

in said Town of Northbridge in accordance with the rules and regulations made under authority of said  
Statutes.

LIST THE DAYS AND HOURS OF PROPOSED OPERATION:

DURING: Thursday 5-8 pm, Friday 4pm - 9pm,  
Saturday 11am to 9pm, Sunday 12-5pm

  
(Signature of Applicant)

Mailing Address:

Print Name: Kevin Mulvihill

Address: 22 Jenna Lane

City: Sutton

State, Zip: MA 01590

Received: 5/1/17 @ 10:50 AM  
(Date) (Time)


This license will expire on December 31 of the current year and must be renewed annually  
prior to January 1.

Official Use only

Date License Granted:

**MASSACHUSETTS DEPARTMENT OF REVENUE  
REVENUE ENFORCEMENT AND PROTECTION (REAP) ATTESTATION**

I hereby declare under the penalties of perjury that I, to the best of my knowledge and belief, have filed all state tax returns and paid all state taxes required under law.



\*Signature of individual or Corporate Names (Mandatory)

*Kevin Mulvihill*

*Purgatory Beer Co. LLC*

By: Corporate Officer (Mandatory, if applicable)

*47-5573447*

\*\* Social Security Number or Federal Identification Number

\* This license will not be issued unless this certification clause is signed by the applicant.

\*\*Your Social Security Number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Licensees who fail to correct their non-filing or delinquency will be subject to license suspension or revocation.

**This request is made under the authority of M.G.L. Chapter 62C, Section 49A.**



The Commonwealth of Massachusetts  
Department of Industrial Accidents  
Office of Investigations  
600 Washington Street  
Boston, MA 02111  
www.mass.gov/dia

FORM MUST BE FILLED  
OUT COMPLETELY

If you carry Workers Comp. Insurance, you must  
provide proof to the Town in the form of a  
Certificate of Insurance.

Workers' Compensation Insurance Affidavit: General Businesses

**Applicant Information**

Please Print Legibly

Business/Organization Name: Purgatory Beer Co., LLC  
Address: 670 Linwood Ave Bldg C, 111A  
City/State/Zip: Whitinsville, MA 01588 Phone #: 774-545-0243

**Are you an employer? Check the appropriate box:**

1. ☐ I am a employer with \_\_\_\_\_ employees (full and/or part-time).\*
2. ☐ I am a sole proprietor or partnership and have no employees working for me in any capacity. [No workers' comp. insurance required]
3. ☒ We are a corporation and its officers have exercised their right of exemption per c. 152, §1(4), and we have no employees. [No workers' comp. insurance required]\*\*
4. ☐ We are a non-profit organization, staffed by volunteers, with no employees. [No workers' comp. insurance req.]

**Business Type (required):**

5. ☐ Retail
6. ☐ Restaurant/Bar/Eating Establishment
7. ☐ Office and/or Sales (incl. real estate, auto, etc.)
8. ☐ Non-profit
9. ☐ Entertainment
10. ☐ Manufacturing
11. ☐ Health Care
12. ☒ Other Brewery and Tap Room

\*Any applicant that checks box #1 must also fill out the section below showing their workers' compensation policy information.

\*\*If the corporate officers have exempted themselves, but the corporation has other employees, a workers' compensation policy is required and such an organization should check box #1.

**I am an employer that is providing workers' compensation insurance for my employees. Below is the policy information.**

Insurance Company Name: \_\_\_\_\_

Insurer's Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Policy # or Self-ins. Lic. # \_\_\_\_\_ Expiration Date: \_\_\_\_\_

**Attach a copy of the workers' compensation policy declaration page (showing the policy number and expiration date).**

Failure to secure coverage as required under Section 25A of MGL c. 152 can lead to the imposition of criminal penalties of a fine up to \$1,500.00 and/or one-year imprisonment, as well as civil penalties in the form of a STOP WORK ORDER and a fine of up to \$250.00 a day against the violator. Be advised that a copy of this statement may be forwarded to the Office of Investigations of the DIA for insurance coverage verification.

**I do hereby certify, under the pains and penalties of perjury that the information provided above is true and correct.**

Signature: \_\_\_\_\_ Date: 5/1/17

Phone #: 774 545 0243

**Official use only. Do not write in this area, to be completed by city or town official.**

City or Town: Northbridge Permit/License # \_\_\_\_\_

Issuing Authority (circle one):

1. Board of Health 2. Building Department 3. City/Town Clerk 4. Licensing Board 5. Selectmen's Office  
6. Other \_\_\_\_\_

Contact Person: Melissa Wetherbee Phone #: 508-234-2095

# NTM License Slips

Row 1

**Current Status** On BOS Agenda for 5/22/17

**Done**

**License ID:** NTM#16031

**License Type:** Common Victuallers License

**Description:** New Common Victuallers - License for Purgatory Beer Co., LLC

**Business:** Purgatory Beer Company, LLC

**Applicant:** Kevin Mulvehill

**Address:** 670 Linwood Avenue, Building C, 111A

**Approval Target** 05/05/17

**Slip Started on:** 04/27/17 11:03 AM

**PLANNING**  
**Approve:** ✓

**PLANNING**  
**Comments:** Planning Board reviewed/approved proposal to add brewery within the Linwood Mill complex

**POLICE**  
**Approve:** ✓

**POLICE**  
**Comments:** bartenders need to be TIPS certified; please contact NPD prior to opening date so Lieutenant can visit site and discuss towns alcohol policy

**FIRE Approve:** ✓

**FIRE Comments:**

**BUILDING**  
**ZONING**  
**Approve:** ✓

**BUILDING**  
**ZONING**  
**Comments:** Approved -JS

**CONSERVATION**  
**Approve:** ✓

**CONSERVATION** The Conservation Commission is fine with this license. No further

**Comments:** action is needed on our part.

**HEALTH**  
**Approve:** ✓

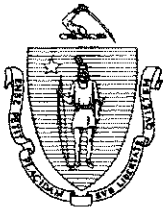
**HEALTH**  
**Comments:**

**ASSESSORS**  
**Approve:** ✓

**ASSESSORS**  
**Comments:** No Issues

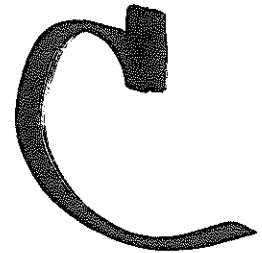
**TREASURER**  
**COLLECTOR**  
**Approve:** ✓

**TREASURER**  
**COLLECTOR**  
**Comments:**



*The Commonwealth of Massachusetts*  
*Alcoholic Beverages Control Commission*  
239 Causeway Street  
Boston, MA 02114  
[www.mass.gov/abcc](http://www.mass.gov/abcc)

Print Form



**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION  
MONETARY TRANSMITTAL FORM**

APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE LOCAL  
LICENSING AUTHORITY.

ECRT CODE: RETA

CHECK PAYABLE TO ABCC OR COMMONWEALTH OF MA: \$200.00

(CHECK MUST DENOTE THE NAME OF THE LICENSEE CORPORATION, LLC, PARTNERSHIP, OR INDIVIDUAL)

CHECK NUMBER

3320

IF USED EPAY, CONFIRMATION NUMBER

A.B.C.C. LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY)

00035-PK-0904

LICENSEE NAME

481 Yogi Convenience Store, Inc. dba Highland Farms

ADDRESS

218 Church Street

CITY/TOWN

Whitinsville

STATE

MA

ZIP CODE

01588

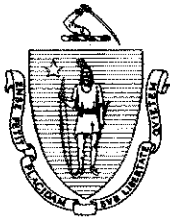
**TRANSACTION TYPE (Please check all relevant transactions):**

- |  |   |   |   |
|--|---|---|---|
| <input type="checkbox"/> Alteration of Licensed Premises | <input type="checkbox"/> Cordials/Liqueurs Permit       | <input type="checkbox"/> New Officer/Director | <input type="checkbox"/> Transfer of License        |
| <input type="checkbox"/> Change Corporate Name           | <input type="checkbox"/> Issuance of Stock              | <input type="checkbox"/> New Stockholder      | <input type="checkbox"/> Transfer of Stock          |
| <input type="checkbox"/> Change of License Type          | <input type="checkbox"/> Management/Operating Agreement | <input type="checkbox"/> Pledge of Stock      | <input type="checkbox"/> Wine & Malt to All Alcohol |
| <input type="checkbox"/> Change of Location              | <input type="checkbox"/> More than (3) \$15             | <input type="checkbox"/> Pledge of License    | <input type="checkbox"/> 6-Day to 7-Day License     |
| <input checked="" type="checkbox"/> Change of Manager    | <input type="checkbox"/> New License                    | <input type="checkbox"/> Seasonal to Annual   |   |
| <input type="checkbox"/> Other                           | <input type="text"/>                                    |   |   |

THE LOCAL LICENSING AUTHORITY MUST MAIL THIS TRANSMITTAL FORM ALONG WITH THE  
CHECK, COMPLETED APPLICATION, AND SUPPORTING DOCUMENTS TO:

**ALCOHOLIC BEVERAGES CONTROL COMMISSION**  
**P. O. BOX 3396**  
**BOSTON, MA 02241-3396**





*The Commonwealth of Massachusetts*  
*Alcoholic Beverages Control Commission*  
*239 Causeway Street*  
*Boston, MA 02114*  
*[www.mass.gov/abcc](http://www.mass.gov/abcc)*

**AMENDMENT APPLICATION FOR A CHANGE OF MANAGER**

*Please complete this entire application, leaving no fields blank. If field does not apply to your situation, please write N/A.*

|   |  |                       |             |
|---|--|-----------------------|-------------|
| <b>1. NAME OF LICENSEE</b> (Business Contact) | 481Yogi Convenience Store, Inc. d/b/a Highland Farms |                       |             |
| ABCC License Number                           | 00035-PK-0904  | City/Town of Licensee | Northbridge |

**2. APPLICATION CONTACT**

The application contact is required and is the person who will be contacted with any questions regarding this application.

|             |                        |         |    |                |              |
|-------------|------------------------|---------|----|----------------|--------------|
| First Name: | Henry                  | Middle: | J. | Last Name:     | Lane         |
| Title:      |                        |         |    | Primary Phone: | 508-234-4400 |
| Email:      | hlane@laneandhamer.com |         |    |                |              |

**3. BUSINESS CONTACT**

Please complete this section ONLY if there are changes to the Licensee phone number, business address (corporate headquarters), or mailing address.

|                    |  |             |  |
|--------------------|--|-------------|--|
| Entity Name:       |  |             |  |
| Primary Phone:     |  | Fax Number: |  |
| Alternative Phone: |  | Email:      |  |

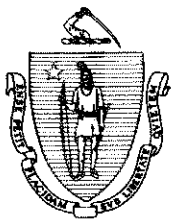
**Business Address (Corporate Headquarters)**

|                |              |              |               |
|----------------|--------------|--------------|---------------|
| Street Number: | 218          | Street Name: | Church Street |
| City/Town:     | Whitinsville | State:       | MA            |
| Zip Code:      | 01588        | Country:     |               |

**Mailing Address**

☒ Check here if your Mailing Address is the same as your Business Address

|                |  |              |  |
|----------------|--|--------------|--|
| Street Number: |  | Street Name: |  |
| City/Town:     |  | State:       |  |
| Zip Code:      |  | Country:     |  |



*The Commonwealth of Massachusetts*  
*Alcoholic Beverages Control Commission*  
*239 Causeway Street*  
*Boston, MA 02114*  
*[www.mass.gov/abcc](http://www.mass.gov/abcc)*

**AMENDEMENT APPLICATION FOR A CHANGE OF MANAGER**

*Please complete this entire application, leaving no fields blank. If field does not apply to your situation, please write N/A.*

|   |   |                              |             |
|---|---|------------------------------|-------------|
| <b>1. NAME OF LICENSEE</b> (Business Contact) | 481 Yogi Convenience, Inc. dba Highland Farms |                              |             |
| <b>ABCC License Number</b>                    | 00035-PK-0904                                 | <b>City/Town of Licensee</b> | Northbridge |

|  |                        |                |              |
|--|------------------------|----------------|--------------|
| <b>2. APPLICATION CONTACT</b>  |                        |                |              |
| The application contact is required and is the person who will be contacted with any questions regarding this application. |                        |                |              |
| First Name:  | Henry                  | Middle:        | J.           |
| Last Name:   | Lane                   |                |              |
| Title:   | Attorney               | Primary Phone: | 508-234-4400 |
| Email:   | hlane@laneandhamer.com |                |              |

|  |  |             |  |
|--|--|-------------|--|
| <b>3. BUSINESS CONTACT</b>   |  |             |  |
| Please complete this section <b>ONLY</b> if there are changes to the Licensee phone number, business address (corporate headquarters), or mailing address. |  |             |  |
| Entity Name:   |  |             |  |
| Primary Phone:   |  | Fax Number: |  |
| Alternative Phone:   |  | Email:      |  |

|  |              |              |               |
|--|--------------|--------------|---------------|
| <b>Business Address (Corporate Headquarters)</b> |              |              |               |
| Street Number:                                   | 218          | Street Name: | Church Street |
| City/Town:                                       | Whitinsville | State:       | MA            |
| Zip Code:  | 01588        | Country:     | USA           |

|                        |  |   |  |
|------------------------|--|---|--|
| <b>Mailing Address</b> |  | <input checked="" type="checkbox"/> Check here if your Mailing Address is the same as your Business Address |  |
| Street Number:         |  | Street Name:  |  |
| City/Town:             |  | State:  |  |
| Zip Code:              |  | Country:  |  |

# APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

## 4. MANAGER CONTACT

The Manager Contact is required and is the individual who will have day-to-day, operational control over the liquor license.

Salutation  First Name  Middle Name  Last Name  Suffix

Social Security Number  Date of Birth

Primary Phone:  Email:

Mobile Phone:  Place of Employment

Alternative Phone:  Fax Number

### Citizenship / Residency / Background Information of Proposed Manager

|  |   |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |
|--|---|---|--|---|--------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--|---|--------------------------------|
| <p>Are you a U.S. Citizen? <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>Have you ever been convicted of a state, federal, or military crime? <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p style="font-size: small;">If yes, attach an affidavit that lists your convictions with an explanation for each</p> <p>Have you ever been Manager of Record of a license to sell alcoholic beverages? <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>If yes, please list the licenses for which you are the <u>current</u> or <u>proposed</u> manager:</p> <div style="border: 1px solid black; height: 60px; width: 200px; margin-top: 10px;"></div> | <p>Do you have direct, indirect, or financial interest in this license? <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>If yes, percentage of interest <input type="text" value="100"/></p> <p>If yes, please indicate type of Interest (check all that apply):</p> <table border="0" style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> Officer</td> <td><input type="checkbox"/> Sole Proprietor</td> </tr> <tr> <td><input checked="" type="checkbox"/> Stockholder</td> <td><input type="checkbox"/> LLC Manager</td> </tr> <tr> <td><input type="checkbox"/> LLC Member</td> <td><input type="checkbox"/> Director</td> </tr> <tr> <td><input type="checkbox"/> Partner</td> <td><input type="checkbox"/> Landlord</td> </tr> <tr> <td><input type="checkbox"/> Contractual</td> <td><input type="checkbox"/> Revenue Sharing</td> </tr> <tr> <td><input type="checkbox"/> Management Agreement</td> <td><input type="checkbox"/> Other</td> </tr> </table> | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Sole Proprietor | <input checked="" type="checkbox"/> Stockholder | <input type="checkbox"/> LLC Manager | <input type="checkbox"/> LLC Member | <input type="checkbox"/> Director | <input type="checkbox"/> Partner | <input type="checkbox"/> Landlord | <input type="checkbox"/> Contractual | <input type="checkbox"/> Revenue Sharing | <input type="checkbox"/> Management Agreement | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Officer  | <input type="checkbox"/> Sole Proprietor  |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |
| <input checked="" type="checkbox"/> Stockholder  | <input type="checkbox"/> LLC Manager  |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |
| <input type="checkbox"/> LLC Member  | <input type="checkbox"/> Director   |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |
| <input type="checkbox"/> Partner   | <input type="checkbox"/> Landlord   |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |
| <input type="checkbox"/> Contractual   | <input type="checkbox"/> Revenue Sharing  |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |
| <input type="checkbox"/> Management Agreement  | <input type="checkbox"/> Other  |   |  |   |                                      |                                     |                                   |                                  |                                   |                                      |  |   |                                |

Please indicate how many hours per week you intend to be on the licensed premises

### Employment Information of Proposed Manager

Please provide your employment history for the *past 10 years*

| Date(s)        | Position | Employer             | Address                            | Phone        |
|----------------|----------|----------------------|------------------------------------|--------------|
| 2007 - 2008    | Clerk    | Nickneha Corp.       | 2 West Hartford Ave., Uxbridge, MA |              |
| 2009 - Present | Clerk    | 481 Yogi Convenience | 218 Church St., Whitinsville, MA   | 508/498-0955 |
|                |          |                      |                                    |              |
|                |          |                      |                                    |              |

### Prior Disciplinary Action of Proposed Manager

Have you ever been involved directly or indirectly in an alcoholic beverages license that was subject to disciplinary action? If yes, please complete the following:

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
|                |                 |       |      |   |
|                |                 |       |      |   |
|                |                 |       |      |   |

# UNITED STATES OF AMERICA

No. 35559009

## CERTIFICATE OF

## NATURALIZATION

Personal description of holder  
as of date of naturalization:

Date of birth: JULY 29, 1979

Sex: MALE

Height: 5 feet 11 inches

Marital status: MARRIED

Country of former nationality:  
INDIA

USCIS Registration No. A097482836

I certify that the description given is true, and that the photograph affixed  
hereto is a likeness of me.

Jigar G. Patel  
(Complete and true signature of holder)

Be it known that, pursuant to an application filed with the Secretary of  
Homeland Security

at: BOSTON, MASSACHUSETTS

The Secretary having found that:

**JIGAR GOVINDBHAI PATEL**

residing at: WHITINSVILLE, MASSACHUSETTS

having complied in all respects with all of the applicable provisions of the  
naturalization laws of the United States, being entitled to be admitted as  
a citizen of the United States, and having taken the oath of allegiance at a  
ceremony conducted by

U.S. DISTRICT COURT - DISTRICT OF MASSACHUSETTS

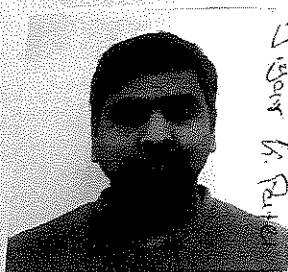
at: BOSTON, MASSACHUSETTS

on: FEBRUARY 07, 2013

such person is admitted as a citizen of the United States of America.

Aljondra N. Mayrhofer, Director

U. S. Citizenship and Immigration Services



Jigar G. Patel

DEPARTMENT OF HOMELAND SECURITY

FORM N-550 (REV. 08/10)

## APPLICANT'S STATEMENT

I, Jigarkumar G. Patel the: ☐ sole proprietor; ☐ partner; ☒ corporate principal; ☐ LLC/LLP member  
Authorized Signatory

of 481 Yogi Convenience Store, Inc., hereby submit this application for Change of Manager  
Name of the Entity/Corporation Transaction(s) you are applying for

(hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statement and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises does not violate any requirement of the ABCC or other state law or local ordinances;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the Application information as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of, the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.

Signature:

Jigarkumar G. Patel

Date:

03/02/17

Title:

President

**418 YOGI CONVENIENCE STORE, INC.**

**ACTION BY DIRECTOR**

**3/1/2017**

Pursuant to Massachusetts General Laws, Chapter 156D, Section 8.21, the undersigned being the director of 481 YOGI CONVENIENCE STORE, INC. hereby consents in writing to the action set forth in the form of a vote immediately following, which shall be treated as a vote for all purposes as fully as if said action and vote had been adopted at a duly called and held meeting of the board of directors of 481 YOGI CONVENIENCE STORE, INC.

I, Jigarkumar G. Patel, being the sole director of 481 Yogi Convenience Store, Inc. do hereby take the following action in lieu of a special meeting of the directors.

1. The corporation hereby appoints Jigarkumar G. Patel to be the manager of the alcoholic beverage business at the Highland Farms store at 218 Church Street in Northbridge, MA
2. The appointment of Jigarkumar G. Patel as manager of the Highland Farms store shall be active until a change in manager has been approved by the local licensing authority.

The foregoing action was taken on March 1, 2017, and shall be construed as a duly adopted vote of the director(s) of the corporation.

  
Jigarkumar G. Patel, Director



**William Francis Galvin**  
Secretary of the Commonwealth of Massachusetts



## Corporations Division

### Business Entity Summary

**ID Number:** 043573301

[Request certificate](#)

[New search](#)

**Summary for:** 481 YOGI CONVENIENCE STORE, INC.

**The exact name of the Domestic Profit Corporation:** 481 YOGI CONVENIENCE STORE, INC.

**Entity type:** Domestic Profit Corporation

**Identification Number:** 043573301

**Old ID Number:** 000000000

**Date of Organization in Massachusetts:**  
08-24-2001

**Last date certain:**

**Current Fiscal Month/Day:** 12/31

**Previous Fiscal Month/Day:** 12/31

**The location of the Principal Office:**

Address: 218 CHURCH STREET

City or town, State, Zip code, WHITINSVILLE, MA 01588 USA  
Country:

**The name and address of the Registered Agent:**

Name: JIGARKUMAR G. PATEL

Address: 218 CHURCH STREET

City or town, State, Zip code, WHITINSVILLE, MA 01588 USA  
Country:

**The Officers and Directors of the Corporation:**

| Title     | Individual Name     | Address                                    |
|-----------|---------------------|--|
| PRESIDENT | JIGARKUMAR G. PATEL | 118 EAST STREET WHITINSVILLE, MA 01588 USA |
| TREASURER | JIGARKUMAR G. PATEL | 118 EAST STREET WHITINSVILLE, MA 01588 USA |
| SECRETARY | JIGARKUMAR G. PATEL | 118 EAST STREET WHITINSVILLE, MA 01588 USA |
| DIRECTOR  | JIGARKUMAR G. PATEL | 118 EAST STREET WHITINSVILLE, MA 01588 USA |

**Business entity stock is publicly traded:**

**The total number of shares and the par value, if any, of each class of stock which this business entity is authorized to issue:**

| Class of Stock | Par value per share | Total Authorized |                    | Total issued and<br>outstanding |
|----------------|---------------------|------------------|--------------------|---------------------------------|
|                |                     | No. of shares    | Total par<br>value | No. of shares                   |
| CNP            | \$ 0.00             | 200,000          | \$ 0.00            | 100                             |

| Consent | Confidential<br>Data | Merger<br>Allowed | Manufacturing |
|---------|----------------------|-------------------|---------------|
|---------|----------------------|-------------------|---------------|

**View filings for this business entity:**

Revocation of Dissolution

Statement of Appointment of Registered Agent ▲

Statement of Change of Registered Agent/Registered Office

Statement of Change of Registered Office Address by Registered Agent

Statement of Change of Supplemental Information

Statement of Resignation of Registered Agent ▼

[View filings](#)

**Comments or notes associated with this business entity:**

[New search](#)



**MASSACHUSETTS DEPARTMENT OF REVENUE  
REVENUE ENFORCEMENT AND PROTECTION (REAP) ATTESTATION**

I hereby declare under the penalties of perjury that I, to the best of my knowledge and belief, have filed all state tax returns and paid all state taxes required under law.

481 Yogi Convenience Store, Inc.

\_\_\_\_\_  
\*Signature of individual or Corporate Names (Mandatory)

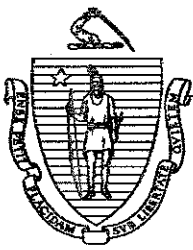
Jigar A. Patel  
\_\_\_\_\_  
By: Corporate Officer (Mandatory, if applicable)

043-573-301  
\_\_\_\_\_  
\*\* Social Security Number or Federal Identification Number

\* This license will not be issued unless this certification clause is signed by the applicant.

\*\*Your Social Security Number will be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Licensees who fail to correct their non-filing or delinquency will be subject to license suspension or revocation.

**This request is made under the authority of M.G.L. Chapter 62C, Section 49A.**



The Commonwealth of Massachusetts  
Department of Industrial Accidents  
Office of Investigations  
600 Washington Street  
Boston, MA 02111  
www.mass.gov/dia

If you carry Workers Comp. Insurance, you must provide proof to the Town in the form of a Certificate of Insurance.

Workers' Compensation Insurance Affidavit: General Businesses

**Applicant Information**

**Please Print Legibly**

Business/Organization Name: 481 Yogi Convenience Store, Inc.

Address: 218 Church Street

City/State/Zip: Whitinsville, MA 01588

Phone #

**Are you an employer? Check the appropriate box:**

1. ☒ I am a employer with 2 employees (full and/or part-time).\*
2. ☐ I am a sole proprietor or partnership and have no employees working for me in any capacity. [No workers' comp. insurance required]
3. ☐ We are a corporation and its officers have exercised their right of exemption per c. 152, §1(4), and we have no employees. [No workers' comp. insurance required]\*\*
4. ☐ We are a non-profit organization, staffed by volunteers, with no employees. [No workers' comp. insurance req.]

**Busi**

5. ☒  
6. ☐  
7. ☐  
8. ☐  
9. ☐  
10. ☐  
11. ☐  
12. ☐

Sejal Patel  
313 Rebecca Rd  
Whitinsville  
MA-01588  
508-439-3251  
Emergency Contact

\*Any applicant that checks box #1 must also fill out the section below showing their workers

\*\*If the corporate officers have exempted themselves, but the corporation has other employees, a workers' compensation policy is required and such an organization should check box #1.

**I am an employer that is providing workers' compensation insurance for my employees. Below is the policy information.**

Insurance Company Name: Massachusetts Retail Merchants' Workers' Compensation Group, Inc.

Insurer's Address: 35 Braintree Hill Office Park, Suite 206

City/State/Zip: Braintree, MA 02184

Policy # or Self-ins. Lic. # 014005030207116 Expiration Date: 1-1-2019

**Attach a copy of the workers' compensation policy declaration page (showing the policy number and expiration date).**

Failure to secure coverage as required under Section 25A of MGL c. 152 can lead to the imposition of criminal penalties of a fine up to \$1,500.00 and/or one-year imprisonment, as well as civil penalties in the form of a STOP WORK ORDER and a fine of up to \$250.00 a day against the violator. Be advised that a copy of this statement may be forwarded to the Office of Investigations of the DIA for insurance coverage verification.

**I do hereby certify, under the pains and penalties of perjury that the information provided above is true and correct.**

Signature: Sejal K. Patel

Date: 5/3/17

Phone #: 508/498-0955

**Official use only. Do not write in this area, to be completed by city or town official.**

City or Town: Northbridge

Permit/License # \_\_\_\_\_

Issuing Authority (circle one):

1. Board of Health 2. Building Department 3. City/Town Clerk 4. Licensing Board 5. Selectmen's Office

6. Other \_\_\_\_\_

Contact Person: Melissa Wetherbee

Phone #: 508-234-2095



# CERTIFICATE OF LIABILITY INSURANCE

OP ID: DC

DATE (MM/DD/YYYY)

05/05/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|   |  |   |  |
|---|--|---|--|
| <b>PRODUCER</b><br>WM. F. Borhek Insurance Agency<br>311 Plymouth Street<br>Halifax, MA 02338<br>Scott C Casagrande |  | <b>CONTACT NAME:</b><br><b>PHONE (A/C, No, Ext):</b><br><b>FAX (A/C, No):</b><br><b>E-MAIL ADDRESS:</b><br><b>PRODUCER CUSTOMER ID #:</b> 481YO-1             |  |
| <b>INSURED</b><br>481 Yogi Convenience Store, Inc.<br>182 Church Street<br>Whitinsville,, MA 01588                  |  | <b>INSURER(S) AFFORDING COVERAGE</b><br>INSURER A : Massachusetts Retail Merchants<br>INSURER B :<br>INSURER C :<br>INSURER D :<br>INSURER E :<br>INSURER F : |  |

|   |                            |                         |
|---|----------------------------|-------------------------|
| <b>COVERAGES</b>  | <b>CERTIFICATE NUMBER:</b> | <b>REVISION NUMBER:</b> |
| THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. |                            |                         |

| INSR LTR | TYPE OF INSURANCE  | ADDL INSR | SUBR WVD | POLICY NUMBER   | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS   |
|----------|--|-----------|----------|-----------------|-------------------------|-------------------------|--|
|          | <b>GENERAL LIABILITY</b><br><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |           |          |                 |                         |                         | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMP/OP AGG \$<br>\$                     |
|          | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS   |           |          |                 |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (PER ACCIDENT) \$<br>\$<br>\$  |
|          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br><br>DEDUCTIBLE<br>RETENTION \$   |           |          |                 |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$<br>\$<br>\$   |
| A        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N<br>(Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                    |           | N/A      | 014005030207116 | 01/01/2017              | 01/01/2018              | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$ 100,000<br>E.L. DISEASE - EA EMPLOYEE \$ 100,000<br>E.L. DISEASE - POLICY LIMIT \$ 500,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

|   |  |
|---|--|
| <b>CERTIFICATE HOLDER</b><br><br>Town of Northbridge<br>7 Main Street<br>Whitinsville, MA 01588 | <b>CANCELLATION</b><br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br>Scott C Casagrande |
|---|--|

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# Certificate of Completion

This Certificate of Completion of  
**eTIPS Off Premise 3.0**  
For coursework completed on November 21, 2016  
provided by Health Communications, Inc.  
is hereby granted to:

**Jigar Patel**

Certification to be sent to:

**481 Yogi Convenience, Store, Highland Farms  
218 Church St  
Whitinsville MA, 01588-1418 USA**



HEALTH COMMUNICATIONS INC.



This document is not proof of eTIPS certification. It signifies only that you have completed the course. Valid certification documents will be forwarded to you.

# NTM License Slips

Row 3

**Current Status** On BOS agenda for 5/22/17

**Done**

**License ID:** NTM#16029

**License Type:** Change of Manager/Wine & Malt/Package

**Description:** Change in Manager for 481 Yogi Convenience Store, Inc. from Debra Clark to Jigar Patel. See attached application

**Business:** 481 Yogi Convenience Store, Inc.

**Applicant:** Jigar Patel

**Address:** 218 Church Street

**Approval Target** 04/20/17

**Slip Started on:** 04/14/17 11:21 AM

**PLANNING**  
**Approve:** ✓

**PLANNING**  
**Comments:** N/A -not applicable

**POLICE**  
**Approve:** ✓

**POLICE**  
**Comments:** No objections

**FIRE Approve:** ✓

**FIRE Comments:**

**BUILDING**  
**ZONING**  
**Approve:** ✓

**BUILDING**  
**ZONING**  
**Comments:** Approved

**CONSERVATION**  
**Approve:** ✓

**CONSERVATION**  
**Comments:**

**HEALTH**  
**Approve:** ✓

**HEALTH**  
**Comments:**

**ASSESSORS**  
**Approve:** ✓

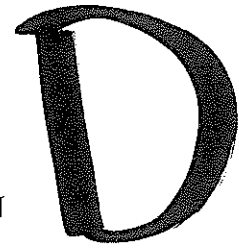
**ASSESSORS**  
**Comments:**

**TREASURER**  
**COLLECTOR**  
**Approve:** ✓

**TREASURER**  
**COLLECTOR**  
**Comments:**

The Commonwealth of Massachusetts  
Alcoholic Beverages Control Commission  
239 Causeway Street  
Boston, MA 02114  
[www.mass.gov/abcc](http://www.mass.gov/abcc)

Print Form



**RETAIL ALCOHOLIC BEVERAGES LICENSE APPLICATION  
MONETARY TRANSMITTAL FORM**

**APPLICATION SHOULD BE COMPLETED ON-LINE, PRINTED, SIGNED, AND SUBMITTED TO THE  
LOCAL LICENSING AUTHORITY.**

REVENUE CODE: RETA

CHECK PAYABLE TO ABCC OR COMMONWEALTH OF MA: NO FEE

A.B.C.C. LICENSE NUMBER (IF AN EXISTING LICENSEE, CAN BE OBTAINED FROM THE CITY):

00016-PK-0904

LICENSEE NAME: Douglaspak Inc. D/B/A Arcade Package Store

ADDRESS: 185 Church Street, Unit 16-6

CITY/TOWN: Whitinsville

STATE MA

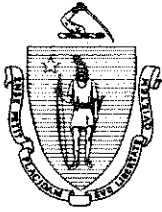
ZIP CODE 01588

**TRANSACTION TYPE (Please check all relevant transactions):**

☒ For Reconsideration

**THE LOCAL LICENSING AUTHORITY MUST MAIL THIS TRANSMITTAL  
FORM ALONG WITH THE CHECK, COMPLETED APPLICATION, AND  
SUPPORTING DOCUMENTS TO:**

**ALCOHOLIC BEVERAGES CONTROL COMMISSION  
P. O. BOX 3396  
BOSTON, MA 02241-3396**



*The Commonwealth of Massachusetts*  
**Alcoholic Beverages Control Commission**  
239 Causeway Street  
Boston, MA 02114  
[www.mass.gov/abcc](http://www.mass.gov/abcc)

**APPLICATION FOR A RETAIL ALCOHOLIC BEVERAGES LICENSE**

Please complete this entire application, leaving no fields blank. If field does not apply to your situation, please write N/A.

**1. NAME OF PROPOSED LICENSEE** (Business Contact)

Douglaspak, Inc d/b/a Arcade Package Store

This is the corporation or LLC which will hold the license, **not** the individual submitting this application. If you are applying for this license as a sole proprietor, not an LLC, corporation or other legal entity, you may enter your personal name here.

**2. RETAIL APPLICATION INFORMATION**

There are two ways to obtain an alcoholic beverages license in the Commonwealth of Massachusetts, either by obtaining an existing license through a transfer or by applying for a new license.

Are you applying for a new license ☐ New ☒ Transfer  
or the transfer of an existing license?

If transferring, please indicate the  
current ABCC license number you  
are seeking to obtain:

00016-PK-0904

If applying for a new license, are you applying for this license  
pursuant to special legislation?

☐ Yes ☐ No

Chapter

Acts of

If transferring, by what method  
is the license being transferred?

Purchase

**3. LICENSE INFORMATION / QUOTA CHECK**

City/Town

Northbridge (Whitinsville)

**On/Off-Premises**

Off-Premises

**TYPE**

\$15 Package Store

**CATEGORY**

All Alcoholic Beverages

**CLASS**

Annual

**4. APPLICATION CONTACT**

The application contact is required and is the person who will be contacted with any questions regarding this application.

First Name: Francis

Middle: A

Last Name: Niro

Title: Attorney

Primary Phone: 508-234-3301

Email: frank@knapiklaw.com

**5. OWNERSHIP** Please list all individuals or entities with a direct or indirect, beneficial or financial interest in this license.

An individual or entity has a direct beneficial interest in a license when the individual or entity owns or controls any part of the license. For example, if John Smith owns Smith LLC, a licensee, John Smith has a direct beneficial interest in the license.

An individual or entity has an indirect beneficial interest if the individual or entity has 1) any ownership interest in the license through an intermediary, no matter how removed from direct ownership, 2) any form of control over part of a license no matter how attenuated, or 3) otherwise benefits in any way from the licensee's operation. For Example, Jane Doe owns Doe Holding Company Inc., which is a shareholder of Doe LLC, the license holder. Jane Doe has an indirect interest in the license.

- A. All individuals listed below are required to complete a Beneficial Interest Contact - Individual form.  
B. All entities listed below are required to complete a Beneficial Interest Contact - Organization form.  
C. Any individual with any ownership in this license and/or the proposed manager of record must complete a CORI Release Form.

| Name            | Title / Position | % Owned | Other Beneficial Interest |
|-----------------|------------------|---------|---------------------------|
| Chanjay J. Amin | Officer          | 100%    |                           |
| Chanjay J. Amin | Stockholder      | 100%    |                           |



## APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

### 5. OWNERSHIP (continued)

| Name | Title / Position | % Owned | Other Beneficial Interest |
|------|------------------|---------|---------------------------|
|      |                  |         |                           |
|      |                  |         |                           |
|      |                  |         |                           |
|      |                  |         |                           |
|      |                  |         |                           |

### 6. PREMISES INFORMATION

Please enter the address where the alcoholic beverages are sold.

#### Premises Address

Street Number:  Street Name:  Unit:

City/Town:  State:  Zip Code:

Country:

#### Description of Premises

Please provide a complete description of the premises, including the number of floors, number of rooms on each floor, any outdoor areas to be included in the licensed area, and total square footage.

| Floor Number | Square Footage | Number of Rooms |
|--------------|----------------|-----------------|
| 1            | 1600           | 1               |
|              |                |                 |
|              |                |                 |
|              |                |                 |
|              |                |                 |
|              |                |                 |
|              |                |                 |

Patio/Deck/Outdoor Area Total Square Footage

Indoor Area Total Square Footage

Number of Entrances

Number of Exits

Proposed Seating Capacity

Proposed Occupancy

#### Occupancy of Premises

Please complete all fields in this section. Documentation showing proof of legal occupancy of the premises is required.

Please indicate by what right the applicant has to occupy the premises

Lease Beginning Term

Lease Ending Term

Rent per Month

Rent per Year

Landlord Name

Landlord Phone

Landlord Address

If leasing or renting the premises, a signed copy of the lease is required.

If the lease is contingent on the approval of this license, and a signed lease is not available, a copy of the unsigned lease and a letter of intent to lease, signed by the applicant and the landlord, is required.

Please indicate if the terms of the lease include payments based on the sale of alcohol: ☐ Yes ☒ No

## APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

### 7. BUSINESS CONTACT

The Business Contact is the proposed licensee. If you are applying as a Sole Proprietor (the license will be held by an individual, not a business), you should use your own name as the entity name.

\* Please see last page of application for required documents based on Legal Structure \*

|                    |                      |                           |                       |
|--------------------|----------------------|---------------------------|-----------------------|
| Entity Name:       | Douglasspak, Inc.    | FEIN:                     | 81-51055770           |
| DBA:               | Arcade Package Store | Fax Number:               |                       |
| Primary Phone:     | 978-509-9115         | Email:                    | Dimple_Amin@yahoo.com |
| Alternative Phone: | 508-982-5035         | Legal Structure of Entity | Corporation           |

#### Business Address (Corporate Headquarters)

☐ Check here if your Business Address is the same as your Premises Address

|                |            |              |               |
|----------------|------------|--------------|---------------|
| Street Number: | 7          | Street Name: | Sheryl Drive  |
| City/Town:     | Shrewsbury | State:       | Massachusetts |
| Zip Code:      | 01545      | Country:     | USA           |

#### Mailing Address

☐ Check here if your Mailing Address is the same as your Premises Address

|                |            |              |               |
|----------------|------------|--------------|---------------|
| Street Number: | 7          | Street Name: | Sheryl Drive  |
| City/Town:     | Shrewsbury | State:       | Massachusetts |
| Zip Code:      | 01545      | Country:     | USA           |

Is the Entity a Massachusetts Corporation?

☒ Yes ☐ No

If no, is the Entity registered to do business in Massachusetts?

☐ Yes ☐ No

If no, state of incorporation

#### Other Beneficial Interest

Does the proposed licensee have a beneficial interest in any other Massachusetts Alcoholic Beverages Licenses? ☐ Yes ☒ No

*If yes, please complete the following table.*

| Name of License | Type of License | License Number | Premises Address |
|-----------------|-----------------|----------------|------------------|
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |

#### Prior Disciplinary Action:

Has any alcoholic beverages license owned by the proposed licensee ever been disciplined for an alcohol related violation?

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
|                |                 |       |      |   |
|                |                 |       |      |   |
|                |                 |       |      |   |

# APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

## 8. MANAGER CONTACT

The Manager Contact is required and is the individual who will have day-to-day, operational control over the liquor license.

Salutation  First Name  Middle Name  Last Name  Suffix

Social Security Number  Date of Birth

Primary Phone:  Email:

Mobile Phone:  Place of Employment

Alternative Phone:  Fax Number

## Citizenship / Residency / Background Information of Proposed Manager

Are you a U.S. Citizen? ☒ Yes ☐ No

Have you ever been convicted of a state, federal, or military crime? ☐ Yes ☒ No  
If yes, attach an affidavit that lists your convictions with an explanation for each

Have you ever been Manager of Record of a license to sell alcoholic beverages? ☐ Yes ☒ No

If yes, please list the licenses for which you are the current or proposed manager:

Do you have direct, indirect, or financial interest in this license? ☒ Yes ☐ No

If yes, percentage of interest

If yes, please indicate type of Interest (check all that apply):

|   |  |
|---|--|
| <input checked="" type="checkbox"/> Officer     | <input type="checkbox"/> Sole Proprietor     |
| <input checked="" type="checkbox"/> Stockholder | <input type="checkbox"/> LLC Manager         |
| <input type="checkbox"/> LLC Member             | <input checked="" type="checkbox"/> Director |
| <input type="checkbox"/> Partner                | <input type="checkbox"/> Landlord            |
| <input type="checkbox"/> Contractual            | <input type="checkbox"/> Revenue Sharing     |
| <input type="checkbox"/> Management Agreement   | <input type="checkbox"/> Other               |

Please indicate how many hours per week you intend to be on the licensed premises

## Employment Information of Proposed Manager

Please provide your employment history for the *past 10 years*

| Date(s)          | Position  | Employer              | Address                            | Phone        |
|------------------|-----------|-----------------------|------------------------------------|--------------|
| 3/1/2005 to Date | Secretary | Dimple A. Desai, Inc. | 7 Sheryl Dr., Shrewsbury, MA 01545 | 978-509-9115 |
|                  |           |                       |                                    |              |
|                  |           |                       |                                    |              |
|                  |           |                       |                                    |              |
|                  |           |                       |                                    |              |

## Prior Disciplinary Action of Proposed Manager

Have you ever been involved directly or indirectly in an alcoholic beverages license that was subject to disciplinary action? If yes, please complete the following:

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
|                |                 |       |      |   |
|                |                 |       |      |   |
|                |                 |       |      |   |

## APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGES LICENSE

### 9. FINANCIAL INFORMATION

Please provide information about associated costs of this license.

#### Associated Costs

|   |               |
|---|---------------|
| A. Purchase Price for Building/Land       | 0.00          |
| B. Purchase Price for any Business Assets | \$ 500,000.00 |
| C. Costs of Renovations/Construction      | 0.00          |
| D. Purchase Price of Inventory            | \$ 75,000.00  |
| E. Initial Start-Up Costs                 | 0.00          |
| F. Other (Please specify)                 | 0.00          |
| G. Total Cost (Add lines A-F)             | \$ 575,000.00 |

Please note, the total amount of **Cash Investment** (top right table) plus the total amount of **Financing** (bottom right table) must be equal to or greater than the **Total Cost** (line G above).

Please provide information about the sources of cash and/or financing for this transaction

#### Source of Cash Investment

| Name of Contributor | Amount of Contribution |
|---------------------|------------------------|
| Chanjay J. Amin     | \$ 155,000.00          |
|                     |                        |
|                     |                        |
|                     |                        |
| Total:              | \$ 155,000.00          |

#### Source of Financing

| Name of Lender        | Amount        | Does the lender hold an interest in any MA alcoholic beverages licenses? | If yes, please provide ABCC license number of lender |
|-----------------------|---------------|--|--|
| Millbury Savings Bank | 420,000       | No   |  |
|                       |               |  |  |
|                       |               |  |  |
|                       |               |  |  |
|                       |               |  |  |
| Total:                | \$ 420,000.00 |  |  |

### 10. PLEDGE INFORMATION

Are you seeking approval for a pledge? ☒ Yes ☐ No

Please indicate what you are seeking to pledge (check all that apply)

☒ License ☐ Stock / Beneficial Interest ☒ Inventory

To whom is the pledge is being made: Millbury Savings Bank

Does the lender have a beneficial interest in this license?

☒ Yes ☐ No

Does the lease require a pledge of this license?

☐ Yes ☒ No

**APPLICANT'S STATEMENT**

I, Chanjay J. Amin the: ☐ sole proprietor; ☐ partner; ☒ corporate principal; ☐ LLC/LLP member  
Authorized Signatory

of Douglaspak, Inc., hereby submit this application for Transfer and Pledge of Off Premises All Alcoholic License  
Name of the Entity/Corporation Transaction(s) you are applying for

(hereinafter the "Application"), to the local licensing authority (the "LLA") and the Alcoholic Beverages Control Commission (the "ABCC" and together with the LLA collectively the "Licensing Authorities") for approval.

I do hereby declare under the pains and penalties of perjury that I have personal knowledge of the information submitted in the Application, and as such affirm that all statement and representations therein are true to the best of my knowledge and belief. I further submit the following to be true and accurate:

- (1) I understand that each representation in this Application is material to the Licensing Authorities' decision on the Application and that the Licensing Authorities will rely on each and every answer in the Application and accompanying documents in reaching its decision;
- (2) I state that the location and description of the proposed licensed premises does not violate any requirement of the ABCC or other state law or local ordinances;
- (3) I understand that while the Application is pending, I must notify the Licensing Authorities of any change in the information submitted therein. I understand that failure to give such notice to the Licensing Authorities may result in disapproval of the Application;
- (4) I understand that upon approval of the Application, I must notify the Licensing Authorities of any change in the Application information as approved by the Licensing Authorities. I understand that failure to give such notice to the Licensing Authorities may result in sanctions including revocation of any license for which this Application is submitted;
- (5) I understand that the licensee will be bound by the statements and representations made in the Application, including, but not limited to the identity of persons with an ownership or financial interest in the license;
- (6) I understand that all statements and representations made become conditions of the license;
- (7) I understand that any physical alterations to or changes to the size of, the area used for the sale, delivery, storage, or consumption of alcoholic beverages, must be reported to the Licensing Authorities and may require the prior approval of the Licensing Authorities;
- (8) I understand that the licensee's failure to operate the licensed premises in accordance with the statements and representations made in the Application may result in sanctions, including the revocation of any license for which the Application was submitted; and
- (9) I understand that any false statement or misrepresentation will constitute cause for disapproval of the Application or sanctions including revocation of any license for which this Application is submitted.

Signature: 

Date: May 15, 2017

Title: President/Treasurer

# ALCOHOLIC BEVERAGES CONTROL COMMISSION

## **BENEFICIAL INTEREST CONTACT - Individual** (Formerly known as a Personal Information Form)

Please complete a Beneficial Interest - Individual sheet for all individual(s) who have a direct or indirect beneficial interest, with or without ownership, in this license. This includes people with a financial interest and people without financial interest (i.e. board of directors for not-for-profit clubs). All individuals with direct or indirect financial interest must also submit a CORI Authorization Form.

An individual with direct beneficial interest is defined as someone who has interest directly in the proposed licensee. For example, if ABC Inc is the proposed licensee, all individuals with interest in ABC Inc are considered to have direct beneficial interest in ABC Inc (the proposed licensee).

An individual with indirect beneficial interest is defined as someone who has ownership in a parent level company of the proposed licensee. For example, if ABC Inc is the proposed licensee and is 100% owned by XYZ Inc, all individuals with interest in XYZ Inc are considered to have an indirect beneficial interest in ABC Inc (the proposed licensee).

|                    |   |            |                                      |             |  |           |                                   |        |   |
|--------------------|---|------------|--------------------------------------|-------------|--|-----------|-----------------------------------|--------|---|
| Salutation         | <input type="text" value="Mr."/>          | First Name | <input type="text" value="Chanjay"/> | Middle Name | <input type="text" value="J"/>                     | Last Name | <input type="text" value="Amin"/> | Suffix | <input type="text"/>                        |
| Title:             | <input type="text" value="Owner"/>        |            | Social Security Number               |             | <input type="text"/>                               |           | Date of Birth                     |        | <input type="text" value="March 30, 1965"/> |
| Primary Phone:     | <input type="text" value="978-509-9115"/> |            | Email:                               |             | <input type="text" value="Dimple_Amin@yahoo.com"/> |           |                                   |        |   |
| Mobile Phone:      | <input type="text" value="978-509-9115"/> |            | Fax Number                           |             | <input type="text"/>                               |           |                                   |        |   |
| Alternative Phone: | <input type="text"/>                      |            |                                      |             |  |           |                                   |        |   |

### **Business Address**

|                |   |              |  |
|----------------|---|--------------|--|
| Street Number: | <input type="text" value="185"/>                        | Street Name: | <input type="text" value="Church Street Unit 16-6"/> |
| City/Town:     | <input type="text" value="Northbridge (Whitinsville)"/> | State:       | <input type="text" value="Massachusetts"/>           |
| Zip Code:      | <input type="text" value="01588"/>                      | Country:     | <input type="text" value="USA"/>                     |

### **Mailing Address**

☐ Check here if your Mailing Address is the same as your Business Address

|                |   |              |  |
|----------------|---|--------------|--|
| Street Number: | <input type="text" value="7"/>          | Street Name: | <input type="text" value="Sheryl Drive"/>  |
| City/Town:     | <input type="text" value="Shrewsbury"/> | State:       | <input type="text" value="Massachusetts"/> |
| Zip Code:      | <input type="text" value="01545"/>      | Country:     | <input type="text" value="USA"/>           |

### **Types of Interest (select all that apply)**

|                                      |   |   |   |
|--------------------------------------|---|---|---|
| <input type="checkbox"/> Contractual | <input checked="" type="checkbox"/> Director  | <input type="checkbox"/> Landlord           | <input type="checkbox"/> LLC Manager            |
| <input type="checkbox"/> LLC Member  | <input type="checkbox"/> Management Agreement | <input checked="" type="checkbox"/> Officer |   |
| <input type="checkbox"/> Partner     | <input type="checkbox"/> Revenue Sharing      | <input type="checkbox"/> Sole Proprietor    | <input checked="" type="checkbox"/> Stockholder |
|                                      |   |   | <input type="checkbox"/> Other                  |

### **Citizenship / Residency Information**

|                         |   |                                   |   |
|-------------------------|---|-----------------------------------|---|
| Are you a U.S. Citizen? | <input checked="" type="radio"/> Yes <input type="radio"/> No | Are you a Massachusetts Resident? | <input checked="" type="radio"/> Yes <input type="radio"/> No |
|-------------------------|---|-----------------------------------|---|

### **Criminal History**

|  |   |   |
|--|---|---|
| Have you ever been convicted of a state, federal, or military crime? | <input type="radio"/> Yes <input checked="" type="radio"/> No | If yes, please provide an affidavit explaining the charges. |
|--|---|---|

# ALCOHOLIC BEVERAGES CONTROL COMMISSION

## **BENEFICIAL INTEREST CONTACT - Individual** (continued)

### **Ownership / Interest**

Using the definition above, do you hold a direct ☒ Direct ☐ Indirect or indirect interest in the proposed licensee?

If you hold a direct beneficial interest in the proposed licensee, please list the % of interest you hold.

100%

If you hold an indirect beneficial interest in this license, please complete the Ownership / Interest Table below.

### **Ownership / Interest**

If you hold an indirect interest in the proposed licensee, please list the organization(s) you hold a direct interest in which, in turn, hold a direct or indirect interest in the proposed licensee. These generally include parent companies, holding companies, trusts, etc. A Beneficial Interest - Organization Form will need to be completed for each entity listed below.

| Name of Beneficial Interest - Organization | FEIN |
|--|------|
|  |      |
|  |      |
|  |      |

### **Other Beneficial Interest**

List any indirect or indirect beneficial or financial interest you have in any other Massachusetts Alcoholic Beverages License(s).

| Name of License | Type of License | License Number | Premises Address |
|-----------------|-----------------|----------------|------------------|
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |

### **Familial Beneficial Interest**

Does any member of your immediate family have ownership interest in any other Massachusetts Alcoholic Beverages Licenses? Immediate family includes parents, siblings, spouse and spouse's parents. Please list below.

| Relationship to You | ABCC License Number | Type of Interest (choose primary function) | Percentage of Interest |
|---------------------|---------------------|--|------------------------|
|                     |                     |  |                        |
|                     |                     |  |                        |
|                     |                     |  |                        |

### **Prior Disciplinary Action**

Have you ever been involved directly or indirectly in an alcoholic beverages license that was subject to disciplinary action? If yes, please complete the following:

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
|                |                 |       |      |   |
|                |                 |       |      |   |
|                |                 |       |      |   |

## APPLICATION FOR A NEW RETAIL ALCOHOLIC BEVERAGE LICENSE

### **BENEFICIAL INTEREST - Organization**

Please complete a Beneficial Interest - Organization sheet for all organization(s) who have a direct or indirect beneficial interest, with or without ownership, in this license.

#### **Example:**

ABC Inc. is applying for a liquor license. ABC Inc. is 100% owned by XYZ Inc., which is 100% owned by 123 Inc. XYZ Inc. is considered to have a direct beneficial interest in the proposed licensee (ABC Inc.) and 123 Inc. is considered to have indirect beneficial interest in the proposed licensee (ABC Inc.). Both XYZ Inc. and 123 Inc. should complete a Beneficial Interest - Organization Form.

Entity Name:  FEIN:   
Primary Phone:  Fax Number:   
Alternative Phone:  Email:

### **Business Address**

Street Number:  Street Name:   
City/Town:  State:   
Zip Code:  Country:

### **Mailing Address**

☐ Check here if your Mailing Address is the same as your Business Address

Street Number:  Street Name:   
City/Town:  State:   
Zip Code:  Country:

### **Publicly Traded**

Is this organization publicly traded? ☐ Yes ☒ No

### **Ownership / Interest**

Using the definition above, does this organization hold a direct or indirect interest in the proposed licensee? ☒ Direct ☐ Indirect

If this organization holds a direct beneficial interest in the proposed licensee, please list the % of interest it holds.

If you hold an indirect beneficial interest in this license, please complete the Ownership / Interest Table on the next page.



**Ownership / Interest**

If this organization holds an indirect interest in the proposed licensee, please list the organization(s) it holds a direct interest in which, in turn, hold a direct or indirect interest in the proposed licensee. These generally include parent companies, holding companies, trusts, etc. A Beneficial Interest - Organization Form will need to be completed for each entity listed below.

| Name of Beneficial Interest - Organization | FEIN |
|--|------|
|  |      |
|  |      |
|  |      |

**Other Beneficial Interest**

List any indirect or indirect beneficial or financial interest this entity has in any other Massachusetts Alcoholic Beverages License(s).

| Name of License | Type of License | License Number | Premises Address |
|-----------------|-----------------|----------------|------------------|
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |
|                 |                 |                |                  |

**Prior Disciplinary Action**

Has this entity ever been involved directly or indirectly in an alcoholic beverages license that was subject to disciplinary action? If yes, please complete the following:

| Date of Action | Name of License | State | City | Reason for suspension, revocation or cancellation |
|----------------|-----------------|-------|------|---|
|                |                 |       |      |   |
|                |                 |       |      |   |
|                |                 |       |      |   |



Kevin S. Higginbottom  
V.P. / Commercial Loan Officer  
Millbury Savings Bank  
109 Elm Street  
Millbury MA. 01527-0151  
508-581-6244

February 23, 2017

Dimple Desai  
7 Sheryl Drive  
Shrewsbury MA 01545

Dear Dimple:

I am pleased to advise you that Millbury Savings Bank (Lender) has approved the following \$420,000 commercial loan. This commitment is subject to full compliance with the following terms and conditions:

|                     |   |
|---------------------|---|
| Borrower:           | Dimple Desai / Douglasspak Inc.   |
| Facility:           | Commercial Term Loan  |
| Amount:             | \$420,000   |
| Purpose:            | To purchase business assets of an existing liquor store in Whitinsville MA.   |
| Maturity:           | 7 years   |
| Interest Rate:      | Fixed at 5.5% for the term of the loan.   |
| Repayment:          | 84 Monthly P&I payments of \$6,052.11.  |
| Commitment Fee:     | N/A   |
| Prepayment Penalty: | \$1,500 for the first 3 years of the loan.  |
| Collateral:         | All Business Assets, including the assignment of the liquor licenses.   |
| Covenants:          | 1) Borrowers to deliver income tax returns and updated personal financial statement within 120 days after fiscal year end.<br>2) Minimum aggregate Debt Service Coverage Ratio of 1.25x, tested annually. DSCR is defined as A) net profit, plus depreciation & amortization, plus interest expense, less distributions; Divided by B) Current maturities of long-term debt and interest expense. |
| Conditions:         | 1) All fees incurred by the bank in connection with this loan shall be paid by the Borrower, including, but not limited to the appraisal, environmental due diligence, and legal.   |

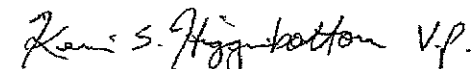
The above commitment is subject to the Borrower's execution and delivery of loan documentation prepared by bank counsel and all such documents and all other loan related documents and information are to be acceptable to the bank and its counsel. This commitment sets forth the entire agreement of the parties and supersedes all prior written or oral understandings and discussions, with respect thereto, and no modification or waiver of any provision hereof shall be effective unless in writing and signed by the parties thereto.

In addition to the terms, conditions and provisions hereinabove set forth, the Borrower must execute and deliver such instruments, documents, certificates, and opinions containing such representations, warranties and covenants as may be required by the bank and its counsel. The Bank's commitment to proceed with the financing hereinabove described is also conditioned upon there being no material adverse change in the business or financial affairs of the Borrower or any of the guarantors between the date of this letter and the closing of the financing transaction referred to herein.

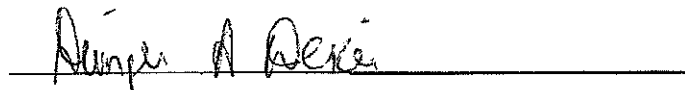
The Borrower agrees that this commitment is for its confidential use only and will not be disclosed by it or any of its representatives, without the Lender's prior written consent, to any person other than its accountants, attorneys and other advisors, and then only in connection with the transactions contemplated hereby and only on a confidential basis except that following its acceptance hereof, the Borrower may make such disclosures of the terms and conditions hereof as it is required by law to make. No other party may rely upon this commitment without the Lender's prior written acknowledgment.

If the commitment is acceptable to you, please sign below and return it to my attention. This commitment shall become null and void if not accepted by March 15, 2017 and not properly documented prior to July 1, 2017. In the meantime, if you have any questions, please call me at (508) 581-6244.

Sincerely,

  
Kevin S. Higginbottom  
V.P. / Commercial Loan Officer

Accepted and agreed this 24 day of Feb 2017



Dimple Desai

*Of the United States,  
in Order to form a more perfect Union,  
establish Justice, insure domestic Tranquillity,  
provide for the common defence,  
promote the general Welfare, and secure  
the Blessings of Liberty to ourselves; and  
our Posterity, do ordain and establish this  
Constitution for the United States of America.*

*Shauqat Hussain*  
SIGNATURE OF BEARER / SIGNATURE DU TITULAIRE / FIRMA DEL TITULAR

PASSPORT  
PASSEPORT  
PASAPORTE

# UNITED STATES OF AMERICA

| Type / Type / Tipo | Serie / Code / Código | Passport No. / No. du Passeport / No. de Passaporto |
|--------------------|-----------------------|---|
|                    |                       |   |

USA

486692442

AMIN

Given Names / Prénoms / Nombres

CHANJAY

Nationality / Nationalité / Nacionalidad

UNITED STATES OF AMERICA

Date of birth / Date de naissance / Fecha de nacimiento

30 Mar 1965

Place of birth / Lieu de naissance / Lugar de nacimiento

# INDIA

Sex / Sexe / Sexo

Date of issue / Date de délivrance / Fecha de expedición

Authority / Autorité / Autoridad

22 Dec 2011

United States

Date of expiration / Date d'expiration / Fecha de caducidad

1997年12月15日

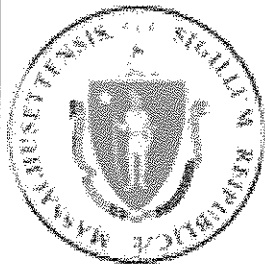
21 Dec 2021

**Entloosements / Mentions Spéciales / Agradaciones**

SEE PAGE 27

[illegible]

4866924421USA6503307M2112219248243833<418978



# The Commonwealth of Massachusetts William Francis Galvin

No Fee

Secretary of the Commonwealth, Corporations Division  
One Ashburton Place, 17th floor  
Boston, MA 02108-1512  
Telephone: (617) 727-9640

## Statement of Change of Supplemental Information (General Laws, Chapter 156D, Section 2 02 AND Section 8 45; 950 CMR 113 17)

1. Exact name of the corporation: DOUGLASPAK, INC

2. Current registered office address:

Name: DIMPLE A DESAI

No. and Street: 7 SHERYL DRIVE

City or Town: SHREWSBURY

State: MA

Zip: 01545

Country: USA

3. The following supplemental information has changed:

\_\_\_ Names and street addresses of the directors, president, treasurer, secretary

| Title     | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|-----------|--|---|
| President | Chanjay J Amin                                 | 7 Sheryl Drive<br>Shrewsbury, MA 01545 USA                    |
| Treasurer | Chanjay J Amin                                 | 7 Sheryl Drive<br>Shrewsbury, MA 01545 USA                    |
| Secretary | Chanjay J Amin                                 | 7 Sheryl Drive<br>Shrewsbury, MA 01545 USA                    |
| Director  | Chanjay J Amin                                 | 7 Sheryl Drive<br>Shrewsbury, MA 01545 USA                    |

\_\_\_ Fiscal year end:

December

\_\_\_ Type of business in which the corporation intends to engage:

LIQUOR, TOBACCO, SMOKE, AND CONVENIENCE STORE

\_\_\_ Principal office address:

No. and Street: 7 SHERYL DRIVE

City or Town: SHREWSBURY

State: MA

Zip: 01545

Country: USA

\_\_\_ g. Street address where the records of the corporation required to be kept in the Commonwealth are located  
(post office boxes are not acceptable):

No. and Street: 7 SHERYL DRIVE

City or Town: SHREWSBURY

State: MA

Zip: 01545

Country: USA

which is

☒ its principal office

\_\_\_ an office of its transfer agent

\_\_\_ an office of its secretary/assistant secretary

\_\_\_ its registered office

### Filer's Contact Information

(Enter a contact name, mailing address, and email and/or phone number.)

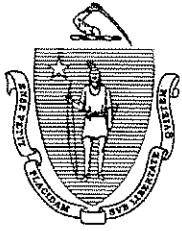
Contact Name: Francis A. Niro

Business Name: Law Office of W. Robert KnapikNo. and Street: 1279 Providence RoadCity or Town: WhitinsvilleState: MAZip: 01588Country: USAContact Phone: (508) 234-3301 ext: 104Contact Email: frank@knapiklaw.com

Please provide an email address to receive an expedited response from the Corporations Division.

If the filing is rejected for any reason, you will be contacted. If no email address is provided, correspondence from the Division will be sent by mail.

**Signed by Chanjay J. Amin , its president  
on this 12 Day of May, 2017**[Make Corrections](#)[Accept](#)



William Francis Galvin  
Secretary of the  
Commonwealth

*The Commonwealth of Massachusetts*  
*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

**February 28, 2017**

TO WHOM IT MAY CONCERN:

I hereby certify that according to the records of this office,

**DOUGLASPAK, INC**

is a domestic corporation organized on **January 25, 2017**, under the General Laws of the Commonwealth of Massachusetts.

I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



In testimony of which,  
I have hereunto affixed the  
Great Seal of the Commonwealth  
on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth

Processed By: nem

## EXHIBIT C

### CORPORATE VOTE

At a meeting of the Board of Directors of DOUGLASPAK, INC., held at 7 Sheryl Dr, Shrewsbury, MA 01545 on 3/16/2017 the following actions were duly voted by unanimous consent:

- VOTED: That all actions taken and done in the name and on behalf of the Corporation by the directors and officers of the Corporation since the date of incorporation be, and the same hereby are, ratified, confirmed and approved;
- VOTED: To authorize the President and Treasurer of the Corporation, Dimple A. Desai, to sign and submit to the Massachusetts Alcoholic Beverages Control Commission and to the Town of Northbridge for a transfer of an existing Off-Premises Retail All Alcoholic Beverages license presently owned by Douglas Package Store, Inc. d/b/a Arcade Package Store located at 185 Church Street, Whitinsville, Massachusetts in the name of DOUGLASPAK, INC., and to execute on the Corporation's behalf, any necessary papers and do all things required to have the application granted.
- VOTED: To appoint Chanjay Amin as its Manager or principal representative, and hereby grant to him full authority and control of the premises described in the license and authority and control of the conduct of all business therein as the licensee itself could in any way have and exercise if it were a natural person residing in the Commonwealth of Massachusetts.
- VOTED: To authorize the Corporation to pledge the Off-Premises Retail All Alcoholic Beverages License and any inventory as collateral on a loan to Millbury Saving Bank;
- VOTED: To authorize the President and Treasurer of the Corporation to execute, acknowledge and deliver any and all other documents, certificates or instruments as any of said officers may determine to be necessary, appropriate or convenient in connection therewith, the execution of such document, instrument or certificate by any one of said officers to establish conclusively that the form, substance, execution, acknowledgment and delivery thereof have been duly authorized and approved in all respects by the Board of Directors of the Corporation.



VOTED: That a copy of this vote duly certified by the Clerk of the Corporation and delivered to the manager appointed, or principal representative, shall constitute the written authority required by G. L. c. 138, § 26.

It is hereby certified that all the Directors of DOUGLASPAK INC, a Corporation duly organized under the laws of the Commonwealth of Massachusetts are residents of the Commonwealth of Massachusetts.

This Corporation has not been dissolved.

**DOUGLAsPAK, INC.**

**Secretary's Certificate**

I, Chanjay J. Amin, Secretary of Douglasspak, Inc. (the "Corporation"), do hereby certify as follows:

1. That attached hereto as Exhibit A is a true and correct copy of votes adopted by Action by Unanimous Written Consent of Directors dated May 12, 2017; that said votes are not in violation of the Articles of Organization or By-Laws of the Corporation; and that said votes have not been rescinded or modified and remain in full force and effect as of the date hereof;
2. That Chanjay J. Amin is the President, Treasurer and Secretary of Douglasspak, Inc.;
3. I hereby certify further that the following persons are the duly elected and incumbent officers or authorized agents of the Corporation who are authorized to act pursuant to the votes described above:

| <u>Name</u>     | <u>Title</u> |
|-----------------|--------------|
| Chanjay J. Amin | President    |
| Chanjay J. Amin | Secretary    |
| Chanjay J. Amin | Treasurer    |

EXECUTED as an instrument under seal as of the 12 day of May, 2017.

  
\_\_\_\_\_  
Chanjay J. Amin, Secretary

ARCADE PACKAGE STORE  
AGREEMENT FOR SALE OF ASSETS

On this 8<sup>th</sup> day of February, 2017, the parties hereto enter into this agreement for the sale of PERSONAL PROPERTY, as follows:

1. PARTIES

Douglas Package Store, Inc. a Massachusetts business corporation, with an usual place of business at P. O. Box 603, Douglas, MA 01516, hereinafter called the SELLER, agrees to SELL

AND

Whitinspak, Inc. of 7 Sheryl Drive, Shrewsbury, MA 01545, hereinafter called the BUYER or PURCHASER, agrees to BUY, upon the terms hereinafter set forth, the following described personal property:

2. DESCRIPTION

The assets ("Assets") being sold are the assets of the business known as Arcade Package Store (the "Business"), which is owned by Douglas Package Store, Inc.:

- A. Equipment, furniture, furnishings and other tangible personal property used by the Business, listed on Schedules A and B attached hereto and a part hereof;
- B. Inventory of the Business
- C. The exclusive right to the name "Arcade Package Store."
- D. No substitutions of the Assets described herein shall be permitted.

3. PURCHASE PRICE: The agreed purchase price of said assets is \$525,000.00 of which

|                             |   |
|-----------------------------|---|
| \$ 10,000.00                | have been paid as a deposit with the Offer to Purchase;         |
| \$ 20,000.00                | have been paid as a deposit this day and                        |
| \$ 495,000.00               | will be paid at the closing, by certified cashier's treasurer's |
|                             | IOLTA or bank check   |
| <u>                    </u> |   |
| \$ 525,000.00               | TOTAL   |

and

in addition thereto the price for the Inventory, an amount to be determined by an Inventory Specialist chosen by the parties, to be paid at the time of transfer of title. The Seller will finance the sale of all inventory in excess of \$75,000.

4. TIME FOR PERFORMANCE; DELIVERY OF DEED

A Bill of Sale for such assets is to be delivered, at 11:00 o'clock A.M. on or before March 31, 2017, at the Worcester District Registry of Deeds, or office of the SELLER's attorney, unless otherwise agreed to in writing.

TIME IS OF THE ESSENCE OF THIS AGREEMENT.

5. OBLIGATIONS OF THE SELLER ON THE CLOSING DATE.

At the closing the Seller will deliver to the Buyer:

- a. A Bill of Sale for the assets being sold;
- b. A covenant not to compete in the form set forth in Schedule B attached hereto;
- c. Maintenance of service contracts, warranty information and similar documents, now in the possession of the Seller relating to the assets;
- d. An agreement concerning the use of the name "Arcade Package Store;
- e. All other certificates and documents requested by Buyer pursuant to the provisions hereof.

6. INSPECTIONS

The BUYER acknowledges that:

- a. the BUYER has had the opportunity to have inspections conducted of the assets by inspectors of the BUYER's own choice and expense;
- b. the results of any inspections and tests are satisfactory to the BUYER; and
- c. the BUYER has not relied upon any representation of the SELLER or the SELLER's agents or their brokers in connection with the purchase of the assets.

7. DEPOSIT

All deposits made hereunder shall be held in escrow by SELLER's attorney, Edward D. Simsarian, as escrow agent, subject to the terms of this agreement and shall be duly accounted for at the time for performance of this agreement. In the event of any disagreement between the parties, the escrow agent may retain all deposits made under this agreement pending instructions mutually given by the SELLER and the BUYER.

8. BUYER'S DEFAULT; DAMAGES

If the BUYER shall fail to fulfill the BUYER's agreements herein, all deposits made hereunder by the BUYER shall be retained by the SELLER as liquidated damages in lieu of all other claims against the BUYER either at law or in equity.

9. LIABILITY OF TRUSTEE, SHAREHOLDER, BENEFICIARY, ETC.

If the SELLER or BUYER executes this agreement in a representative or fiduciary capacity, only the principal or the estate represented shall be bound, and neither the SELLER or BUYER so executing, nor any shareholder or beneficiary

of any trust, shall be personally liable for any obligation, express or implied, hereunder.

10. WARRANTIES AND REPRESENTATION

The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has he relied upon any warranties or representations not set forth or incorporated in this agreement or previously made in writing, except for the following additional warranties and representations, if any, made by either the SELLER or the Broker(s): None

11. MORTGAGE CONTINGENCY CLAUSE

The sale is not contingent on the ability of the BUYER to obtain a loan.

12. CONSTRUCTION OF AGREEMENT

This instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and inures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLER and the BUYER. If two or more persons are named herein as BUYER, their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it. The parties agree that all prior offers and communications, whether oral or written, including E-mail or text communications, are superseded by, and shall no longer have any effect upon the execution of, this Agreement.

13. CONDITIONS OF SALE

The consummation of this sale is conditioned upon:

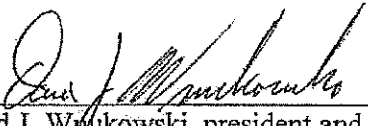
- A. the consummation of a lease between the owner of the real estate at 185 Church Street, Whitinsville, MA as lessor of said premises, and the Buyer as lessee;
- B. The transfer by said date of the Retail Alcoholic Beverages license by the Alcoholic Beverages Control Commission of the Commonwealth to the Buyer or his nominee; and
- C. The execution by the Seller and all immediate family members of all stockholders and officers of Seller of an agreement with the Buyer not to compete with the Buyer, for a period of ten years and within an area with a radius of five miles from the location of the store, in the said business.

D. The attached Exhibit "B" is incorporated into this Agreement as if expressly set forth herein.

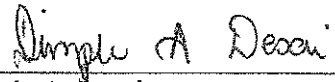
If either the lease or transfer shall fail to be consummated, the deposit paid hereunder will be returned to the Buyer, and the parties shall be discharged of all further obligations.

Witness the hands and seals of the parties.

Douglas Package Store, Inc., Seller

By:   
David J. Wrukowski, president and treasurer

Whitinspak, Inc., Buyer

By:   
Dimple A. Desai,  
President and Treasurer

Schedule A

The following chattels are included in the sale:

- One computer with printer
- One file cabinet
- 300 feet of shelving
- One P.O.S. system
- A 14-door walk-in cooler
- Two two-wheel dollies
- One security system
- Two marking guns
- One tape gun
- All signage
- Phone system
- All brooms, mops, shovels

The following items are not owned by the grantor and are not for sale:

- Two third-party-owned ice chests
- One third-party-owned Coca Cola cooler, 2-door stand-up model

**EXHIBIT "B"**  
**ADDENDUM TO PURCHASE AND SALE AGREEMENT**

**1. GENERAL CONDITIONS**

The parties agree that the modifications and additional clauses herein are incorporated into the Purchase and Sale Agreement dated February 8, 2017 (the "Agreement") entered into between Douglas Package Store, Inc. ("Seller") and Whitinspak, Inc. ("Buyer") as if expressly set forth therein;

**2. TITLE TO ASSETS**

The Seller shall deliver good, clear and marketable title to the Assets to the Buyer, free of all liens and encumbrances. At the time for performance, the Seller shall provide Buyer the following:

- a. Bill of Sale, properly executed by the authorized officer(s) of the Seller.
- b. Certificate of Good Standing for Seller
- c. Certificate of Good Tax Standing for the Seller
- d. Corporate Resolution authorizing officer of Seller to sell Assets to Buyer
- e. Corporate excise tax lien waiver at the time for performance, or shall include representations under oath in the bill of sale that the sale of the assets do not constitute all or substantially all of the Seller's assets.
- f. Certificate(s) of title for any titled asset to be conveyed to Buyer, properly endorsed to the Buyer.
- g. Any other document reasonably required by Buyer to convey title to the Assets as described above to the Buyer.

**3. LIEN RELEASES**

Notwithstanding any provisions of this Agreement to the contrary, the Seller shall deliver at or before the time for performance all instruments necessary to discharge any liens encumbering the Assets.

**4. INDEMNIFICATION**

The Seller shall be responsible for all debts and obligations related to the operation of the business known as Douglas Package Store, Inc., arising prior to the time for performance, and indemnifies and holds harmless Buyer for any liability relating to said debts and obligations arising after the time for performance.



## **5. AFFIDAVITS AND CERTIFICATES**

At the Closing, Seller shall execute/or and deliver to Buyer any documents, affidavits and certificates customarily required by Buyers or Buyer's attorneys in connection with transactions of this type, including, but not limited to, settlement statement, compliance agreement, municipal lien pro-rata agreement, title insurance mechanics lien affidavit.

## **6. POST CLOSING ADJUSTMENTS**

If any errors or omissions are found to have occurred in any calculations or figures used in the settlement statement signed by the parties (or would have been included if not for any such error or omission) and notice hereof is given within two months of the Closing to the party to be charged, then such party agrees to make a payment to correct the error or omission.

## **7. PENDING LITIGATION OR OTHER ACTIONS AFFECTING PREMISES**

Seller represents that Seller is not aware of any unresolved litigation or pending or ongoing regulatory hearings or actions, bankruptcy, summary process action, or other proceeding which could affect the Assets or might in any material way impact adversely on the Seller's ability to perform on the closing date, and Seller agrees to keep Buyer informed, by notice given pursuant to this Agreement, of any such litigation, hearings or actions, whether scheduled, anticipated, or in progress. Seller further represents that the Purchase Price as defined in the Agreement exceeds the aggregate value of all liens and other encumbrances and Seller closing costs relating to the sale of the Assets by the Seller to the Buyer.

## **8. NOTICE/DOCUMENT EXECUTION/ AUTHORIZATION OF ATTORNEY:**

All notices required or permitted to be given hereunder shall be in writing and delivered by hand, sent by facsimile transmission with receipt confirmed, electronic mail ("E-mail") or mailed postage prepaid, by registered, certified or overnight mail delivery to the following:

To Seller:  
c/o Edward D. Simsarian, Esq.  
Tashjian Simsarian LLP  
370 Main Street  
Worcester, MA 01608  
Tel. 508-756-1578  
Fax. 508-756-1153  
Email: [ed@tashsim.com](mailto:ed@tashsim.com)

To Buyer:  
c/o Christopher D. Metzger, Esq.  
Alexandrov, Metzger & Flannagan, PC  
32 Franklin Street, Suite 304  
Worcester, MA 01608  
Tel. 508-797-3669  
Fax. 508-797-6657  
Email: [chris@amfpc.com](mailto:chris@amfpc.com)

Hand delivery shall be in hand only. Mailed notice shall be deemed given upon postage cancellation date by the U.S. Post Office. Notice(s) sent by E-Mail shall be deemed delivered upon receipt by the recipient addresses set forth in the Agreement and herein.

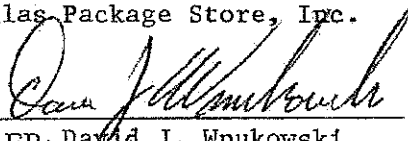
The Agreement, this Addendum and any subsequent amendments, modifications or addenda, may be executed by fax or E-Mail and original ink signatures shall not be required.

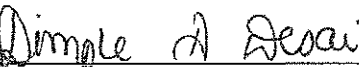
In order to facilitate the execution and delivery of certain documents contemplated hereby, the parties grant to their respective attorneys the actual authority to execute and deliver on each party's behalf any (a) agreement modifying the time for the performance of any event hereunder, or (b) any notice that may be given under this agreement, and the parties may rely upon the signature of such attorneys (including faxed or scanned signatures) unless they have actual knowledge that a party has disclaimed the authority granted herein.

## 9. SPECIAL CONDITIONS

- a. The Seller shall cooperate with, and facilitate the efforts of, the Buyer in obtaining municipal and state approval for the transfer the liquor licenses and any other necessary licenses to the Buyer.
- b. The Seller represents that none of the fixtures or specifically included items are either leased or subject to security interests, liens or claims of any creditors.

IN WITNESS WHEREOF, the undersigned have caused this Addendum to Purchase and Sales Agreement to be executed under seal on this 8<sup>th</sup> day of February, 2017.  
Douglas Package Store, Inc. Whitinspak, Inc.

By:   
SELLER: David J. Wnukowski  
President and Treasurer

By:   
BUYER: Dimple A. Desai  
President and Treasurer

\_\_\_\_\_  
SELLER:

\_\_\_\_\_  
BUYER:

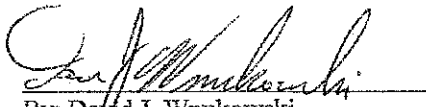
## ADDENDUM TO PURCHASE AND SALE AGREEMENT

The undersigned parties agree that the modifications and additional clauses herein are incorporated into the Agreement for Sale of Assets, and Addendum to Purchase and Sale Agreement relating to the sale of the business assets of Arcade Package Store, both dated February 8, 2017 (collectively the "Agreement") and entered into between Douglas Package Store, Inc. ("Seller") and Whitinspak, Inc. ("Buyer") as if expressly set forth therein, and shall provide as follows:


1. **Parties.** The BUYER or PURCHASER as defined in the Agreement shall be changed from Whitinspak, Inc., to Douglaspak, Inc. Any reference in the Agreement or any related document to the BUYER or PURCHASER shall henceforth mean Douglaspak, Inc.
2. **Other.** Except as set forth above, the Agreement shall remain unchanged and in full force and effect.

The undersigned execute this Addendum under seal on this 1<sup>st</sup> day of March, 2017.


SELLER:  
Douglas Package Store, Inc.

  
By: David J. Wnukowski,  
Its Duly Authorized  
President and Treasurer

BUYER:  
Whitinspak, Inc.

  
By: Dimple A. Desai  
Its Duly Authorized  
President and Treasurer

Douglaspak, Inc.

  
By: Dimple A. Desai  
Its Duly Authorized  
President and Treasurer

LEASE DATED:  
March 1, 2017

PARTIES:  
J&N Whitinsville Trust  
AND  
DOUGLASPAK INC

**ARTICLE I. REFERENCE DATA AND EXHIBITS**

**Section 1.01 Data**

- (a) Name and Location of Property: 185 Church Street, Whitinsville, MA
- (b) Landlord: J&N Whitinsville Trust
- (c) Premises: Approximately 1,600 Square Feet
- (d) Tenant Name: DOUGLASPAK INC
- (e) Address: 7 Sheryl Dr, Shrewsbury, MA  
01545
- (f) Lease Term: Five (5) Years
- (g) Delivery Date: Upon closing of business purchase
- (h) Commencement Date: Upon closing of business purchase
- (i) Rental Commencement Date: Upon closing of business purchase
- (j) Expiration Date: The earlier of the date set forth herein or on midnight on the day preceding the 5th anniversary of the Commencement Date, provided if such date is not the last day of the month, the term shall end on the last day of said month.
- (k) Annual Rent: .
  - Year 1: \$24,000/year; \$2,000/month
  - Year 2: \$24,720/year; \$2,060/month
  - Year 3: \$25,462/year; \$2,122/month
  - Year 4: \$26,226/year; \$2,186/month
  - Year 5: \$27,013/year; \$2,251/month
- (l) Real Estate Taxes: Pro Rata Share, one-twelfth (1/12) payable monthly when rent due
- (m) Charge for Common Area Maintenance: Pro Rata Share, one-twelfth (1/12) payable monthly with rent
- (n) Options: One (1) Three (3) Year Option
- (o) Annual Minimum Rent During Option Period:
  - Year 1: \$27,823/year; \$2,319/month
  - Year 2: \$28,658/year; \$2,388/month
  - Year 3: \$29,518/year; \$2,460/month
- (p) Real Estate Taxes During Option Period: Pro Rata Share, payable as above

- (q) Charge for Common Area Maintenance During Option Period: Pro Rata Share, payable as above
- (r) Common Area Restrictions: See Section 6.02
- (s) Permitted Uses: Liquor Store
- (t) Condition of Property: Property delivered in broom clean "As-is Condition"
- (u) Signage: Sign contractor and all plans need to be approved by Landlord.
- (v) Tenant's Insurance Requirements:
  - (i) Commercial General Liability: \$1,000,000 combined single limit (bodily injury and property damage) per occurrence, \$1 million annual aggregate. Automobile Liability: \$500,000 combined single limit (bodily injury and property damage) per occurrence. Contractual Liability. All such insurance/certificates shall name Landlord as an additional insured.
  - (ii) Workers Compensation: Coverage A: Statutory Coverage B: \$1,000,000/\$1,000,000/\$1,000,000
- (v) Security Deposit: \$2,000

**Section 1.02**    Effect of Reference to Data

Each reference in this Lease to any of the titles contained in Section 1.02 shall be construed to incorporate the data stated under that title.

**Section 1.03**    Exhibits

The exhibits listed below in this Section are incorporated in this Lease by reference and are to be construed as a part of this Lease.

- (a)      Exhibit (A): Intentionally Omitted

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## ARTICLE II. PREMISES AND TERM

### Section 2.01 Premises

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease the store premises owned by Landlord, extending to the center line of the interior partition walls and to the exterior faces of any exterior walls situated within the Center together with the appurtenances specifically granted in this Lease, but reserving and excepting to Landlord the use of the exterior walls (other than store fronts), the roof and the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and appurtenant fixtures leading through the Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of the Center. The term "Center" wherever used herein, and the entire development on said area including any and all structures, parking facilities and common facilities now or hereafter built thereon, or as they may, from time to time, be increased by additions or reduced by eminent domain taking or dedications to public authorities or disposition or demolition by Landlord of any part thereof.

**Section 2.02** Term

TO HAVE AND TO HOLD for a term beginning at the earlier of (a) the opening by Tenant of its business in the Premises, or (b), the date specified in Section 1.01, and continuing for the Lease Term unless sooner terminated as hereinafter provided. When the dates of the beginning and end of the Lease Term have been determined such dates shall be evidenced by a document in form for recording executed by Landlord and Tenant and delivered each to the other.

**ARTICLE III. IMPROVEMENTS**

**Section 3.01** Performance of Work and Approval of Landlord's Work Intentionally Omitted

**Section 3.02** Tenant's Work

Tenant agrees that it will, proceeding with all reasonable dispatch, perform the work to be done by Tenant as to ready the Premises for opening, provided that no work shall be done or fixtures or equipment installed by Tenant without prior written approval of Landlord or in such a manner as to interfere with any work being done by or for Landlord in the Premises or elsewhere in the Center. During the period of occupancy of the Premises by Tenant prior to the commencement of the Lease Term, no Annual Rent or Percentage Rent shall accrue or be payable but otherwise such occupancy shall be subject to all the terms, covenants and conditions contained in this Lease. Tenant agrees to employ for such work one or more responsible contractors whose labor will work in harmony with other labor working in the Center and to cause such contractors employed by Tenant to carry Workers' Compensation Insurance in accordance with statutory requirements and Comprehensive Public Liability Insurance covering such contractors on or about the Premises in amounts at least equal to the limits set forth in Section 1.01 and to submit certificates (naming Landlord an additional insured) evidencing such coverage to Landlord prior to the commencement of such work.

**Section 3.03** Structural Repairs

Landlord covenants, except as otherwise provided in Article IX and except in the case of damage caused by any act or negligence of Tenant, its agents, servants, contractors, licensees and invitees, to make such repairs to the roof, exterior walls (other than glass and glass windows and the so called store front) and floor slabs of the Premises as may be necessary to keep them in serviceable condition.

**ARTICLE IV. RENT**

**Section 4.01** Annual Minimum Fixed

Tenant covenants and agrees to pay rent to Landlord at the original Address of Landlord or such other place as Landlord may by notice in writing to Tenant from time to time direct, without notice, demand or off-set, at the following rates and times:

Equal monthly installments of 1/12th of the Annual Minimum Rent in advance on the first day of each calendar month included in the Lease Term; and for any portion of a calendar month at the beginning or end of the Lease Term, the corresponding fraction of said 1/12th payable in advance for such portion. Tenant's obligation to pay Annual Rent is independent of any obligations which Landlord may have to Tenant, except as otherwise expressly provided to the contrary.



**Section 4.02**    Definition of Lease Year

"Lease Year" shall mean, in the case of the first Lease Year, the twelve full calendar months plus the partial month, if any, following the commencement of the Lease Term. Thereafter, "Lease Year" shall mean each successive twelve calendar month period following the expiration of the first Lease Year, except that in the event of the termination of this Lease on any day other than the last day of a Lease Year, then the last Lease Year shall be the period from the end of the preceding Lease Year to such date of termination.

**Section 4.03**    Definition of Gross Sales    Intentionally Omitted

**Section 4.04**    Maintenance of Records and Examination Intentionally Omitted

**Section 4.05**    Returned Check/Late Payment

In the event any check tendered by Tenant to Landlord is returned/not paid because of insufficient funds to honor same (as evidenced by the notation on or attached to said check by Landlord's bank), or if there are two (2) or more late payments in any twelve (12) month period, the same shall be conclusively deemed a non-curable default entitling Landlord to terminate this Lease on notice to Tenant with no opportunity to cure. If Landlord in its sole discretion waives such default, Tenant agrees to make the payment due Landlord and all future payments due under the Lease by money order, bank, cashier's or teller's check or certified check only. In addition, Tenant agrees to reimburse Landlord as additional rent for the charges imposed on Landlord by its bank as a result of said check having been dishonored.

**ARTICLE V.    REAL ESTATE TAXES**

**Section 5.01**    Real Estate Taxes

Tenant shall pay to Landlord, as additional rent, with respect to each tax year or portion thereof included in the Lease Term, the amount of real estate taxes upon the Premises for each such tax year or portion thereof. A tax year shall mean that twelve calendar month period covered by the applicable tax bill. The term "real estate taxes" shall mean all taxes, impositions, levies and special assessments of every kind and nature assessed by any governmental authority on the Center which the Landlord shall become obligated to pay because of or in connection with the ownership, leasing and operation of the Center, subject to the following:

- (i) The amount of special taxes or special assessments to be included shall be limited to the amount of the installment (plus any interest, other than penalty interest, payable thereon) of such special tax or special assessment required to be paid during the year in respect of which such taxes are being determined; and
- (ii) There shall be excluded from such taxes all income taxes, excess profit taxes, excise taxes, franchise taxes, estate, succession, inheritance and transfer taxes; provided, however, that if at any time during the Term there shall be assessed on Landlord whether in addition to or in substitution of, in whole or in part, the present system of ad valorem taxation of real property, a capital levy or other tax on the gross rents received with respect to the Center, or a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect) measured by or based, in whole or in part, upon any such gross rents, then any and all of such taxes, assessments, levies or charges, to the extent so measured or based, shall be deemed to be included within the term "real estate tax".

The real estate taxes upon the Premises shall for purposes of this Lease be an amount equal to that proportion of the real estate taxes on the Center which the ground floor area in the Premises bears to the rentable ground floor area in all the buildings of the Center. Tenant shall pay to Landlord, on a monthly basis, 1/12<sup>th</sup> of its estimated share of Real Estate Taxes for each tax year together with its rent payment, subject to appropriate reconciliation upon presentment of actual tax bills, as aforesaid.

#### **Section 5.02    Abatements**

The real estate taxes upon the Center for any tax year shall mean such amounts as shall be finally determined after deducting abatements, refunds, or rebates, if any, less the cost and expense of obtaining the same, to be the real estate taxes payable with respect to the Center for said tax year. For the purposes of determining payments due from Tenant to Landlord in accordance with the provisions of Article V, the real estate taxes upon the Center for any tax year shall be deemed to be the real estate taxes assessed for such year until such time as an abatement, refund or rebate shall be received for any tax year, and if any abatement, rebate or refund shall be received for any tax year, an appropriate adjustment or refund shall be made in the amount due from or paid by Tenant to Landlord on account of such real estate taxes dependent upon the amount of such abatement, rebate or refund, less the cost and expense of obtaining the same. Landlord shall have the exclusive right, but not the obligation, to obtain such abatement, refund or rebate. Tenant agrees to cooperate fully with Landlord in any such proceedings for abatement.

#### **Section 5.03    Method of Payment**

If any additional amounts shall be payable by Tenant on account of real estate taxes in any tax year, or portion thereof, included in the Lease Term, Landlord shall give written notice advising Tenant of the amount thereof and Tenant shall pay such amount to Landlord within ten (10) days after receipt of such notice. If this Lease shall terminate during a tax year, Tenant shall pay to Landlord a prorated portion of the amount that would have been due for the full tax year based on the number of days of said tax year expired on the date of termination.

### **ARTICLE VI.    COMMON AREAS**

#### **Section 6.01    Common Areas**

Landlord shall make available from time to time within the Center such common areas (including, but not limited to, parking areas, driveways, truck ways, delivery passages, common truck loading areas, access and egress roads, walkways, sidewalks, malls, landscaped and planted areas and herein referred to as "Common Areas"), as Landlord shall deem appropriate. Landlord shall operate, manage, equip, police, light, repair and maintain the Common Areas for their intended purposes and provide for the removal of snow and ice there from, all in such manner as Landlord shall in its sole discretion determine, it being understood and agreed that Landlord shall not be liable for any inconvenience or interruption of business or other consequences resulting from the making of repairs, replacements, improvements, alterations or additions or from the doing of any other work, by or at the direction of Landlord, to or upon any of such Common Areas, or from delay or failure to perform such maintenance, snow removal or other work with respect to such Common Areas, where such delay or failure is attributable to strikes or other labor services, or from any other cause. Landlord may from time to time change the size, location and nature of any Common Area. Tenant agrees to remove snow and ice from any exterior sidewalk in front of and adjacent to the Premises and also to keep said walk clean and free of dirt and debris.

#### **Section 6.02    Use of Common Area**

Tenant and its concessionaires, officers, employees, agents, customers and invitees shall have the right, in common with Landlord and all others to whom Landlord may from time to time grant rights, to use the Common Areas for their intended purposes subject to such reasonable rules and regulations as Landlord may from time to time impose, including the designation of specific areas in which cars owned or used by

or leased to Tenant, its concessionaires, officers, employees and agents must be parked. Tenant agrees after notice thereof to abide by such rules and regulations and to use its best efforts to cause its concessionaires, officers, employees, agents, customers and invitees to conform thereto. Tenant shall upon request furnish to Landlord the license numbers of the cars operated by Tenant and its concessionaires, officers, employees and agents. Tenant shall not solicit business in the parking or other Common Areas; nor shall Tenant distribute any handbills or other advertising matter in or on automobiles parked in the parking area or in other Common Areas. If Tenant has a rear or side door, all deliveries shall be made through same. In the event that Landlord notifies Tenant three (3) times in any twelve (12) month period that Tenant has violated the above, Landlord may, on notice to Tenant, terminate this Lease.

#### **Section 6.03    Charge for Common Area Maintenance**

In each Lease Year Tenant shall pay to Landlord, as additional rent, a proportion of the Center's operating cost hereinafter defined, based upon the ratio of the square footage of the Premises to the total square footage of all building space in the Center exclusive of Common Areas. The Center's total operating cost shall mean the total cost and expense incurred in operating, repairing and maintaining the Common Areas available for use by Tenant and the employees, agents, servants, customers and other invitees of Tenant excluding only depreciation of the original cost of constructing the Common Areas and items of expense commonly known and designated as carrying charges, but specifically including, without limitation, gardening and landscaping, the cost of public liability and property damage insurance, sign insurance, real estate taxes and assessments on the Common Areas, repairs, line painting, sanitary control, surface water control, removal of snow, trash, rubbish and other refuse, replacement of curbs, paving and walkways, striping, heating, cooling and lighting of enclosed malls, and entrances/exits and walkways, lighting of the parking areas, machinery and equipment used in connection with same, the cost of personnel to implement such services, to direct parking, and to police the common facilities and 20% of all of the foregoing costs (excluding real estate taxes and assessments) to cover Landlord's administrative and overhead costs. Tenant shall pay to Landlord, on a monthly basis, with its rent payment, 1/12<sup>th</sup> of its estimated share of Common Area Maintenance (based on the prior year's costs and expenses) subject to reconciliation when the actual bill for such year is sent, with the additional payment, if any due Landlord being paid within thirty (30) days of tenant's receipt of said bills. If the bill shows an overpayment, said amount shall be credited against Tenant's next CAM bill(s).

The annual Common Area Maintenance statement sent by Landlord shall be binding upon Tenant unless Tenant, within thirty (30) days of its receipt of same, notifies Landlord with specificity of its objections to same. Tenant shall keep confidential the data/information in such statements.

### **ARTICLE VII.    UTILITIES AND SERVICES**

#### **Section 7.01    Utilities Charges.**

Tenant agrees to pay, as additional rent, directly to the authority charged with the collection thereof, all charges for water, gas, electricity, telephone and other utilities used or consumed in the Premises. Except as otherwise provided in Exhibit B, if any, for the installation thereof, Tenant shall make its own arrangements for such utilities and Landlord shall be under no obligation to furnish any utilities to the Premises and shall not be liable for any interruption or failure in the supply of any such utilities to the Premises, nor shall any interruption or failure entitle Tenant to an abatement of rent. If a charge shall be made from time to time by the public authority having jurisdiction of the Premises for the use of the sanitary sewer system, Tenant shall pay the share thereof equitably apportioned to the Premises as and when billed. Tenant agrees it will at all times keep sufficient heat in the Premises to prevent the pipes therein from freezing.

## **ARTICLE VIII. TENANT'S ADDITIONAL COVENANTS**

### **Section 8.01 Affirmative Covenants**

Tenant covenants at its expense at all times during the Lease Term and such further time as Tenant occupies the Premises or any part thereof:

### **Section 8.02 Use**

To use the Premises only for the Permitted Uses and to operate its business in the Premises under its trade name, if any. Tenant shall promptly furnish Landlord with copies of all its licenses and permits and notices of violations from all governmental bodies and recommendations from its insurance carriers.

### **Section 8.03 Conduct of Business**

To conduct its business at all times in a high grade and reputable manner so as to produce the maximum volume of sales and transactions and to help establish and maintain a high reputation for the Center; except when and to the extent that the Premises are not able to be occupied by reason of damage by fire or other casualty, to use for the Permitted Uses all of the Premises other than such minor portions thereof as are reasonably required for uses accessory thereto; to use such accessory space only in connection with the business conducted by Tenant in the Premises; to carry a full and complete stock of seasonable merchandise; not to install coin-operated vending machines or similar devices for the sale of goods or services; to maintain adequate trained personnel for efficient service to the customers; to keep open for business during all business hours on all business days when other stores containing a majority of the selling floor area in the Center are open for business; to light its display windows and signs from dusk until 12 o'clock midnight on all business days; and to store in the Premises only such merchandise as is to be offered for sale at retail within a reasonable time after receipt; not to offer for sale or conduct its business in any manner which in Landlord's reasonable opinion, is lewd, obscene, offensive or degrading.

### **Section 8.04 Rules and Regulations**

To store all trash and refuse within the Premises and to attend to the daily disposal thereof in the manner designated by Landlord; and to keep its dumpster and area surrounding same sealed and locked and in a clean and sanitary condition; to keep all drains inside the Premises clean; to receive and deliver goods and merchandise only in the manner and areas designated by Landlord; and to conform to all uniform and reasonable rules and regulations which Landlord may make in the management and use of the Center, and to require such conformance by Tenant's employees, vendors, licensees, contractors and invitees. Landlord shall have no liability to Tenant for the breach by any other tenant of any rules or regulations.

### **Section 8.05 Maintenance**

Tenant shall at its expense keep, maintain, repair and replace the interior of the Premises, and all heating, air conditioning, electrical, plumbing and other equipment in or serving the Premises exclusively, and all permitted signs, clean, neat and in good order, repair and condition; and damage by fire or other casualty covered by Landlord's insurance excepted, at Tenant's expense, to keep all glass, including that in windows, doors and skylights, clean and in good condition, and to replace any glass which may be injured or broken with glass of the same quality within 72 hours of breakage. Tenant shall no less often than every 5 years paint the interior of the premises and replace flooring/carpeting. If the HVAC system services the premises exclusively, Tenant shall have the same inspected and serviced at least twice annually by a reputable HVAC contractor and shall promptly furnish Landlord with copies of the service/inspection reports, as well as with a copy of the service contract. As to any system, equipment or other items not serving the premises exclusively, Tenant agrees to use same only in the manner for which it was intended, and not in any way to do anything which would be likely to cause it to fail.

If Tenant operates a restaurant or prepares food at the premises, Tenant shall, at its cost, regularly maintain a grease trap and/or grease container adequate to remove all fats and/or waste constituents from wastewater generated in the course of its business. Tenant shall have same inspected by a reputable company licensed to perform such inspections quarterly and shall promptly furnish Landlord a copy of such report. Any required corrective work shall be performed within seven (7) days of the notice / report and certification of the correction of same from the inspecting company shall be promptly given to the Landlord. In the event that Tenant is not complying with the provisions of this Section in Landlord's sole discretion, then Landlord may (but is not obligated to) install and regularly maintain a grease trap at the Premises as Landlord may deem appropriate and/or to hire an inspector at Tenant's sole cost and expenses. Tenant agrees that Landlord has the right to inspect Tenant's maintenance records at any time, that Tenant will cooperate fully with Landlord in making these records immediately available for inspection, and that Tenant will fully cooperate and assist Landlord in preventing, detecting, investigating, and correcting any damage or impact to the Premises or to the property of which the Premises are a part arising out of the presence or absence of a grease trap as required hereunder.

Tenant shall be responsible for the cost of any maintenance, cleaning, repair or replacement of any septic or other system (including the storm drains) servicing the Premises or the property of which the Premises are a part necessitated by Tenant's failure to install or properly use or maintain a grease trap adequate for Tenant's use of the Premises as required above, or otherwise necessitated by Tenant's failure to properly dispose of such waste.

Tenant agrees that Landlord and/or Landlord's agents shall have the right to enter the Premises at any time during ordinary business hours to assess whether Tenant is complying with the provisions of this Section pertaining to the installation and maintenance of a grease trap. In the event that Tenant is not maintaining adequate maintenance records in Landlord's sole reasonable discretion, or is otherwise not complying with the provisions of this Section with respect to the installation and maintenance of a grease trap, then Landlord shall have the right to retain the services of a consultant at Tenant's expense to monitor Tenant's compliance with this Section. Tenant's obligations with respect to the installation and maintenance of a grease trap set forth in this Section shall survive expiration or earlier termination of this Lease.

Tenant shall arrange for monthly pest and rodent control measures at the Premises, and shall provide evidence thereof to Landlord from time to time upon Landlord's request. Should any extraordinary pest control measures become necessary as a result of Tenant's use and occupation of the Premises, then Tenant shall be responsible for all costs incurred by Landlord as a result thereof.

Tenant acknowledges and agrees that any default in the terms of this Section 8.05 shall be deemed a material breach of the terms and conditions of this Lease. Notwithstanding anything to the contrary contained elsewhere in this Lease, in the event that Tenant fails to cure any default in the terms of this Section within ten (10) days of receipt of notice from Landlord, then this Lease shall immediately terminate and Landlord shall be entitled to all of the rights and remedies against Tenant set forth elsewhere in this Lease.

#### **Section 8.06    Compliance with Law**

To make all repairs, alterations, additions or replacements to the Premises required by any law or ordinance or any order or regulation of any public authority because of Tenant's use of the Premises; to keep the Premises equipped with all safety appliances so required because of such use; to procure any licenses and permits required for any such use; to pay all municipal, county or state taxes assessed against the leasehold interest hereunder, or personal property of any kind owned by or placed in, upon or about the Premises by Tenant; and to comply with the orders and regulations of all governmental authorities, except that Tenant may defer compliance so long as the validity of any such law, ordinance, order or regulation shall be

contested by Tenant in good faith and by appropriate legal proceedings, if Tenant first gives Landlord assurance satisfactory to Landlord against any loss, cost or expense on account thereof.

**Section 8.07**    Payment for Tenant's Work

To pay promptly when due the entire cost of any work to the Premises undertaken by Tenant and to bond against or discharge any liens for labor or materials within 10 days after written request by Landlord; to procure all necessary permits before undertaking such work and to furnish Landlord with copies of same; and to do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental and insurance requirements.

**Section 8.08**    Indemnity and Liability Insurance

To defend with counsel approved by Landlord, save harmless and indemnify Landlord from all claims or damage to or of any person or property (a) caused by, due to or resulting from Tenant's breach of any of its lease obligations or violations or breach of any governmental law, ordinance, requirement or condition, (b) while on the Premises unless arising from the omission, fault, negligence or other misconduct of Landlord, and (c) from all claims or damage to or of any person or property anywhere occasioned by any omission, fault, neglect, or other misconduct of Tenant, its agents, employees, and contractors; to maintain in responsible companies qualified to do business in the state in which the Center is located and in good standing therein public liability insurance covering the Premises insuring and naming Landlord as well as Tenant, as insureds with limits which shall, at the commencement of the Lease Term, be at least equal to those stated in Section 1.01 and from time to time during the Lease Term shall be for such higher limits, if any, as are customarily carried with respect to similar properties in the area where the Center is located, and Workmen's Compensation Insurance with statutory limits covering all of Tenant's employees working in the Premises, and to deposit promptly with Landlord certificates for such insurance, and all renewals thereof, bearing the endorsement that the policies will not be canceled until after 30 days' written notice to Landlord.

**Section 8.09**    Hazard Insurance

To maintain in responsible companies qualified to do business in the state in which the Center is located and in good standing therein plate glass insurance covering all exterior plate glass in the Premises and "All-Risk property insurance in an amount equal to replacement cost. Tenant shall also maintain in such insurance companies rental insurance in an amount sufficient to cover the then current one (1) year's Annual Rent."

**Section 8.10**    Landlord's Right to Enter

To permit Landlord and its agents: to examine the Premises at reasonable times; to show the Premises to prospective purchasers, lenders and tenants; and to enter the Premises to make such repairs, alterations and replacements as Landlord is required, or may elect, to make, without in any way entitling Tenant to a rent abatement or termination right.

**Section 8.11**    Personal Property at Tenant's Risk

That all of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Center, shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water, snow, ice or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by the act or neglect of any other tenant, by theft or from any other cause, no part of said loss or damage is to be charged to or to be born by Landlord, and Tenant shall not be entitled to any rent abatement or termination right, except that Landlord shall in no event be indemnified

or held harmless or exonerated from any liability to Tenant or to any other person, for any injury, loss, damage or liability to any extent prohibited by law.

**Section 8.12**    Payment of Landlord's Cost of Enforcement

To pay on demand Landlord's expenses, including reasonable attorneys' fees, incurred in enforcing any obligation of or breach by Tenant under this Lease.

**Section 8.13**    Yield Up

At the expiration of the Lease Term or earlier termination of this Lease: to remove all trade fixtures and personal property and all interior partitions installed by Tenant and such other installations made by Tenant as Landlord may request and/or Tenant may elect, to repair any damage caused by such removal, and to remove all Tenant's signs wherever located and to surrender all keys to the Premises and yield up the Premises (except for such interior partitions installed by Tenant and such other installations made by Tenant as Landlord shall request Tenant, and/or Tenant shall elect, to remove), broom-clean and in the same good order and repair in which Tenant is obliged to keep and maintain the Premises by the provisions of this Lease. Any property not so removed shall be conclusively deemed abandoned and may be removed and disposed of by Landlord in such manner as Landlord shall determine (without any obligation to account therefore) and Tenant shall pay Landlord the entire cost and expense incurred by it in effecting such removal and disposition and in making any incidental repairs and replacements to the Premises. Tenant shall further indemnify Landlord against all loss, cost and damage resulting from Tenant's failure and delay in surrendering the Premises as above provided. In the event that Tenant does not timely vacate and surrender the premises as herein provided, in addition to all the rights and remedies which Landlord may have under this Lease and at law and in equity, Tenant shall be deemed a tenant at sufferance and shall be liable to pay minimum and additional rent at a rate equal to 120% of the amounts set forth elsewhere in this Lease, to help compensate Landlord for the additional costs and lost revenues which it may incur, and not as a penalty.

**Section 8.14**    Negative Covenants

Tenant covenants at all time as Tenant occupies the Premises or any part thereof:

- (a) Assignment, Subletting, etc.

Not without on each occasion first obtaining the written approval of Landlord and reimbursing Landlord its costs and expenses (including reasonable attorneys' fees) in connection therewith, to assign, transfer, mortgage or pledge this Lease or sublease (which term shall be deemed to include the granting of concessions and licenses and the like) or permit any other person (other than a bona fide employee having no financial interest or investment in the business) or entity to operate, manage or control all or any part of the Premises or business, or permit any other person or entity to share in the profits or losses of the business, or suffer or permit this Lease or the leasehold estate hereby created or any other rights arising under this Lease to be assigned, transferred or encumbered, in whole or in part, whether voluntarily, involuntarily or by operation of law, or permit the occupancy of the Premises by anyone other than Tenant. Any attempted assignment, transfer, mortgage, pledge, operation, sublease or other encumbrance, without such prior written consent shall, at Landlord's option, be void. No assignment, transfer, mortgage operation, sublease or other encumbrance, whether or not approved, and no indulgence granted by Landlord to any assignee, or other party or sub-lessee, shall in any way impair the continuing primary liability (which after an assignment shall be joint and several with the assignee) of Tenant hereunder, and no approval in a particular instance shall be deemed to be a waiver of the obligation to obtain Landlord's approval in the case of any other assignment, subletting, transfer, mortgage, operation or encumbrance.

(b) Overloading, Nuisance, etc.

Not to injure, overload, deface or otherwise harm the Premises; nor commit any nuisance; nor permit the emission of any objectionable noise or odor; nor burn any trash or refuse within the Center; nor make any use of the Premises which is improper, offensive or contrary to any law or ordinance or which will invalidate or increase the cost of any of Landlord's insurance; nor use any advertising medium that may constitute a nuisance, such as loud-speakers, sound amplifiers, phonographs or radio or television broadcasts in a manner to be heard outside the Premises; nor conduct any auction, fire, "going out of business" or bankruptcy sale; nor do any act tending to injure the reputation of the Center; nor sell or display merchandise on, or store or dispose of trash or refuse on, or otherwise obstruct, the driveways, walks, malls, parking areas and other common areas in the Center; nor park trucks or delivery vehicles outside the Premises so as to interfere unreasonably with the use of any driveways, walks, malls or parking area; nor permit Tenant's officers or employees to use any parking areas other than those designated by Landlord for such use; nor use the malls and walks for any purpose other than pedestrian traffic.

(c) Installation, Alteration or Additions

Not to make any installations, alterations or additions (except only the installation of fixtures necessary for the conduct of its business), nor permit the making of any holes in the walls, partitions, ceilings or floors, nor permit the painting or placing of any exterior signs, placards or other advertising media, awnings, aerials, antennas or flagpoles, or the like, without on each occasion obtaining prior written consent of Landlord, and then only pursuant to plans and specifications approved by Landlord and the appropriate governmental authorities in advance in each instance. Tenant shall furnish Landlord with a copy of the building permit as well as copies of the insurance certificates from its contractors(per section 1.01) prior to commencing any work. Roof signs will not be permitted or any other sign the highest point of which is higher than the roof level of the building to which it is affixed and that all signs will be required to be consistent with the general design of the Center in appropriate proportion to the size of the store fronts and not protruding from the side of the buildings to which they are affixed. With regard to signage, Landlord may remove Tenant's signage in order to make required repairs or alterations or additions which Landlord deems necessary or desirable provided Landlord replaces same in the same or similar location. Landlord shall have no liability to Tenant nor shall Tenant be entitled to any rent abatement during the period that the sign is down. Tenant also agrees at its expense to comply with any new signage program for the Center.

(d) Non-Competition

Not to open or permit any corporation, firm, partnership, trust, association or other person or entity affiliated with Tenant, directly or indirectly, to open, another business of the kind conducted in the Premises within a radius of three (3) miles from the Premises or anywhere within the municipality within which the Center is located. This Section 8.14(d) does not apply to the continued conduct of any business now being operated by Tenant or such affiliate within such area, but does apply to any increase in size of the premises devoted to such business. In addition and without prejudice to any other legal or equitable remedy otherwise available to Landlord for breach of this covenant, in the event of such breach Landlord may, at its election, require that any and all sales made at, in, on or from any such prohibited location be included in the computation of the Percentage Rent due hereunder with the same force and effect as though such sales had actually been made at, in, on or from the Premises.



## **ARTICLE IX. CASUALTY OR TAKING**

### **Section 9.01 Landlord to Repair or Rebuild**

In case the Premises or any part thereof shall be damaged or destroyed by fire or other casualty, or ordered to be demolished by the action of any public authority in consequence of a fire or other casualty, or taken by any exercise of the right of eminent domain, this Lease shall, unless it is terminated as provided below in Section 9.02 below or Section 9.03 below, remain in full force and effect and Landlord shall at its expense, proceeding with all reasonable dispatch, repair or rebuild the Premises, or what may remain thereof, so as to restore them (not including Tenant's fixtures, furniture, furnishings, floor coverings and equipment) as nearly as practicable to the condition they were in immediately prior to such damage, destruction, or taking, but Landlord shall not be required to expend in such repair or rebuilding more than the proceeds of insurance or award of damages, if any, actually received by Landlord or with respect to such damage, destruction or taking, less Landlord's reasonable expenses incurred in collecting such proceeds or award, as the case may be. Tenant shall at its own expense proceeding with all reasonable dispatch, repair or replace such of its fixtures, furniture, furnishings, floor coverings and equipment as may be required as a result of such damage, destruction or taking.

### **Section 9.02 Right to Terminate in Event of Casualty**

In case (a) the building in which the Premises are situated is substantially destroyed or damaged by fire or other casualty insured under any fire and extended coverage insurance policy carried by Landlord as to render more than 50 percent of the ground floor area of the Premises untenable, (b) the Premises are destroyed or materially damaged during the last two years of the Lease Term, or (c) the Premises or said building shall be destroyed or materially damaged by any casualty other than one covered by such insurance policy, then, and in any of such cases, Landlord may at its election, exercisable by written notice given to Tenant within sixty (60) days after such destruction or damage, terminate this Lease as of the date designated by Landlord in such notice, which designated date shall be not less than fifteen (15) days nor more than thirty (30) days after the date of such notice.

### **Section 9.03 Termination in Event of Taking**

If all the Premises are taken by eminent domain this Lease shall terminate when Tenant is required to vacate the Premises. If by a taking the floor area of the Premises is reduced by more than 20% thereof, this Lease may at the option of either party be terminated as of the date when Tenant is required to vacate the portion of the Premises so taken, by written notice given to the other not more than thirty (30) days after the date on which the party desiring to terminate receives notice of the taking. If by a taking the floor area of the building in which the Premises are situated is reduced by more than twenty percent (20%), this Lease may at the option of Landlord be terminated as of the date when the tenants or occupants of the portion of said building so taken are required to vacate the same, by giving written notice to Tenant not more than thirty (30) days after the day on which Landlord receives notice of the taking.

### **Section 9.04 Landlord Reserves Award**

Landlord reserves and excepts all rights to awards for damages to the Premises and the leasehold hereby created now accrued or hereafter accruing (not including a separate award for Tenant's moving expenses, if any, or awards for damages to Tenant's trade fixtures, interior partitions installed by Tenant and other installations made by Tenant which Tenant is entitled to remove upon termination of this Lease) by reason of any exercise of the right of eminent domain, or by reason of anything lawfully done in pursuance of any public or other authority; and by way of confirmation Tenant grants to Landlord all Tenant's rights to such awards and covenants to execute and deliver such further instruments of assignment thereof as Landlord may from time to time request.

#### **Section 9.05    Abatement of Rent**

In the event of any casualty not due to the act or neglect of Tenant, its employees, agents, invitees, licensees, lessees or contractors, a just proportion of the Annual Fixed Rent payable hereunder, according to the nature and extent of the injury, shall be abated until Landlord's completion of repairs or rebuilding or termination of this Lease, as the case may be; and in the case of a taking which permanently reduces the area of the Premises, or if following a casualty the restored Premises are smaller in area than the original area of the Premises, a just proportion of the Annual Rent shall be abated for the remainder of the Lease Term.

### **ARTICLE X.    DEFAULTS**

#### **Section 10.01    Events of Default**

Events of Default: (a) If Tenant shall default in the performance of any of its obligations to pay rent, Annual, Percentage, or other money due Landlord, hereunder and if such default shall continue for ten days after the same is due, or (b) if Tenant shall breach any of the provisions of Section 8.07 above, Section 8.14(a) above, Section 8.14(c) above or Section 12.06 below or any other section which contains a specific cure period and Tenant shall not have cured such breach within the time provided, if any, set forth in said specific section, or (c) if within thirty days after written notice from Landlord to Tenant specifying any other default or defaults Tenant has not commenced diligently to correct the default or defaults so specified or has not thereafter diligently pursued such correction to completion, except that as to anything that causes, results in or poses a hazardous situation, if Tenant does not immediately after receiving such notice as is appropriate under the circumstances commence curing same and prosecuting same to completion, or (d) if any assignment shall be made by Tenant or any guarantor of Tenant for the benefit of creditors, or (e) if Tenant's leasehold interest shall be taken on execution, or (f) if a petition is filed by Tenant or any guarantor of Tenant for adjudication as a bankrupt, or for reorganization or an arrangement under any provision of the Bankruptcy Act as then in force and effect, or (g) if an involuntary petition under any of the provisions of said Bankruptcy Act is filed against Tenant or any guarantor of Tenant and such involuntary petition is not dismissed within thirty (30) days thereafter, (h) or if the premises are vacant or dark for more than 15 days, then, and in any of such cases, Landlord lawfully may, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter terminate the Lease on notice to Tenant and without demand or notice and with or without process of law (forcibly, if necessary) enter into and upon the Premises or any part thereof in the name of the whole or mail a notice of termination addressed to Tenant at the Premises, and repossess the same as of Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its and their effects (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and upon such entry or mailing as aforesaid this Lease shall terminate, Tenant hereby waiving all statutory rights (including without limitation rights of redemption, if any, to the extent such rights may be lawfully waived) and Landlord, without notice to Tenant, may store Tenant's effects, and those of any person claiming through or under Tenant at the expense and risk of Tenant, and, if Landlord so elects, may sell such effects at public auction or private sale and apply the net proceeds to the payment of all sums due to Landlord from Tenant if any, and pay over the balance, if any, to Tenant.

#### **Section 10.02    Remedies**

In the event that this Lease is terminated under any of the provisions contained in Section 10.01 or shall be otherwise terminated for breach of any obligation of Tenant, Tenant covenants to pay forthwith to Landlord, after notice from Landlord to that effect, as compensation, the excess of the total rent reserved for the residue of the Lease Term over the rental value of the Premises for said residue of the Lease Term. In calculating the rent reserved there shall be included, in addition to the Annual Rent, Percentage Rent and all additional rent, as well as the value of all other considerations agreed to be paid or performed by Tenant for said residue. Tenant further covenants as an additional and cumulative obligation after any such ending

to pay punctually to Landlord all the sums and perform all the obligations which Tenant covenants in this Lease to pay and to perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant under the next foregoing covenant Tenant shall be credited with any amount paid to Landlord as compensation as in this Section 10.02 provided and also with the net proceeds of any rent obtained by Landlord by re-letting the Premises (but in no event to exceed the rent due from Tenant), after deducting all Landlord's expenses in connection with such re-letting including, without limitation, all repossession costs, brokerage commissions, fees for legal services and expenses of preparing the Premises for such re-letting, it being agreed by Tenant that Landlord may (i) re-let the Premises or any part or parts thereof, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Lease Term and may grant such concessions and free rent as Landlord in its sole judgment considers advisable or necessary to re-let the same and (ii) make such alterations, repairs and decorations in the Premises as Landlord in its reasonable judgment considers advisable or necessary to re-let the same, and no action of Landlord in accordance with the foregoing or failure to re-let or to collect rent under re-letting shall operate or be construed to release or reduce Tenant's liability as aforesaid. For the purpose of this Section 10.02, Percentage Rent for any period after such termination by Landlord shall be deemed to have continued thereafter at a monthly rate equal to one-twelfth of the Percentage Rent payable by Tenant with respect to the last full twelve-month period immediately preceding such termination. Landlord may also, by written notice to Tenant, at any time after this Lease is terminated under any of the provisions contained in Section 10.01 or is otherwise terminated for breach of any obligation of Tenant and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the aggregate of the Annual Minimum Rent and Percentage Rent and additional rent payable under Section 5.01 above and Section 6.03 above which would have been due through the lease expiration date (had Landlord not terminated same) plus the amount of rent of any kind accrued and unpaid at the time of termination and less the amount of any recovery by Landlord under the foregoing provisions of this Section up to the time of payment of such liquidated damages. Nothing contained in this Lease shall, however, limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

#### **Section 10.03 Remedies Cumulative**

Any and all rights and remedies which Landlord may have under this Lease, and at law and equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

#### **Section 10.04 Landlord's Right to Cure Defaults**

Landlord may, but shall not be obligated to, cure at any time following ten days' prior written notice to Tenant, except in cases of emergency when no notice shall be required, any default breach or by Tenant under this Lease; and whenever Landlord so elects, all costs and expenses incurred by Landlord, including reasonable attorneys' fees, in curing a default, breach, or in enforcing its rights under this Lease shall be paid by Tenant to Landlord on demand.

#### **Section 10.05 Effect of Waivers of Default**

No consent or waiver, express or implied, or failure to insist on strict performance by Landlord to or of any subsequent breach of any covenant, condition or duty of Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

## **ARTICLE XI. SECURITY DEPOSIT**

### **Section 11.01 Security Deposit**

Landlord acknowledges receipt from Tenant of the Security Deposit to be held by Landlord, as security, without interest, for and during the Lease Term, which deposit shall be returned to Tenant at the termination of this Lease provided there has been no breach of the undertakings of Tenant. In no instance shall the amount of the Security Deposit be considered a measure of liquidated damages. Landlord may apply all or any part of the Security Deposit in total or partial satisfaction of any default by Tenant. The application of all or any part of the Security Deposit to any obligation or default of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have nor shall such application by Landlord constitute a waiver by Landlord. If all or any part of the Security Deposit is applied to an obligation of Tenant hereunder, Landlord shall have the right to call upon Tenant to restore the Security Deposit to its original amount by giving notice to Tenant and Tenant shall immediately restore the Security Deposit by payment thereof to Landlord. Tenant shall not have the right to call upon Landlord to apply all or any part of the Security Deposit to cure any default or fulfill any obligation of Tenant, but such use shall be solely in the discretion of Landlord. Upon any conveyance by Landlord of its interest under this Lease, the Security Deposit may be turned over by Landlord to Landlord's grantee or transferee, and upon any such delivery of the deposit, Tenant hereby releases Landlord herein named of any and all liability with respect to the Security Deposit, its application and return, and Tenant agrees to look solely to such grantee or transferee, and it is further understood that this provision shall also apply to subsequent grantees and transferees. Landlord may commingle the Security Deposit with similar funds from other tenants. No fiduciary relationship is established by virtue of said deposit. If, as and when the Annual Rent increases, Tenant shall increase the amount of said deposit so that it equals the then current rental.

## **ARTICLE XII. MISCELLANEOUS PROVISIONS**

### **Section 12.01 Notice from One Party to the Other**

Any notice from Landlord to Tenant or from Tenant to Landlord shall be deemed duly served if mailed by registered or certified mail addressed, or delivered by a recognized delivery or courier service, or by fax, to the fax number furnished by the other party, if to Tenant, at the Original Address of Tenant or such other address as Tenant shall have last designated by notice in writing to Landlord and, if to Landlord, at the Original Address of Landlord or such other address as Landlord shall have last designated by notice in writing to Tenant.

### **Section 12.02 Quiet Enjoyment**

Landlord agrees that upon Tenant's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises during the Lease Term without any manner of hindrance or molestation from Landlord, subject, however, to the terms of this Lease and to any mortgage which may be superior to this Lease.

### **Section 12.03 Brokerage**

Landlord and Tenant agree that there is no Broker associated with the execution of this Lease

### **Section 12.04 Lease Not To Be Recorded**

Tenant agrees that it will not record this Lease. Both parties shall, upon the request of either, execute and deliver a notice or short form of this Lease in such form, if any, as may be permitted by applicable statute. If this Lease is terminated before the Term expires the parties shall execute, deliver and record an instrument acknowledging such fact and the actual date of termination of this Lease, and Tenant hereby

appoints Landlord its attorney-in-fact in its name and behalf to execute such instrument if Tenant fails to do so.

**Section 12.05 Bind and Inure, Limitation of Landlord's Liability**

The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that only the original Landlord named herein shall be liable for obligations accruing before the beginning of the Lease Term, and thereafter the original Landlord named herein and each successive owner of the Premises shall be liable only for obligations accruing during the period of its ownership. The obligations of Landlord shall be binding only upon the assets of Landlord that comprise the Center but neither upon other assets of Landlord nor upon Landlord personally nor on anyone signing on behalf of Landlord.

**Section 12.06 Voting Control of Tenant**

If, at any time during the term of this Lease, Tenant is: (i) a corporation or a trust (whether or not having shares of beneficial interest) and there shall occur any change in the identity of any of the persons then having power to participate in the election or appointment of the directors, trustees or other persons exercising like functions and managing the affairs of Tenant; or

- (i) a partnership or association or otherwise not a natural person (and is not a corporation or a trust) and there shall occur any change in the identity of any of the persons who then are members of such partnership or association or who comprise Tenant;
- (ii) an individual and Tenant shall breach any of the provisions of Section 12.06 hereof,

Tenant shall so notify Landlord and Landlord may terminate this Lease by notice to Tenant given within ninety (90) days thereafter. Landlord may also terminate this Lease in the event Tenant violates any of the above provisions and fails to notify Landlord of its actions. This Section 12.06 shall not apply if the initial Tenant named herein is a corporation and the outstanding voting stock thereof is listed on a recognized securities exchange.

**Section 12.07 Acts of God**

In any case where either party hereto is required to do any act (other than Tenant's obligation to pay rent or other sums due Landlord), delays caused by or resulting from Acts of God, war, civil commotion, fire or other casualty, labor difficulties, shortages of labor, materials or equipment, government regulations or other causes beyond such party's reasonable control shall not be counted in determining the time during which such act shall be completed, whether such time be designated by a fixed date, a fixed time or "a reasonable time".

**Section 12.08 Waiver of Subrogation**

All insurance which is carried by either party with respect to the Premises, whether or not required, shall include provisions which either designate the other party as an insured or deny to the insurer acquisition by subrogation of rights of recovery against the other party to the extent such rights have been waived by the insured party prior to occurrence of loss or injury, insofar as, and to the extent that such provisions may be effective without making it impossible to obtain insurance coverage from responsible companies qualified to do business in the state in which the Premises are located (even though extra premium may result there from). In the event that extra premium is payable by either party as a result of this provision, the other party shall reimburse the party paying such premium the amount of such extra premium. If at the request of one party, this non-subrogation provision is waived, then the obligation of reimbursement shall cease for such period of time as such waiver shall be effective, but nothing contained in this sub-section shall derogate from or otherwise affect releases elsewhere herein contained of either party for claims. Each party shall

be entitled to receive duplicates or certificates of any policies containing such provisions. Each party hereby waives all rights of recovery against the other for loss or injury against which the waiving party is protected by insurance containing said provisions, reserving, however, any rights with respect to any excess of loss or injury over the amount recovered by such insurance. Neither party shall acquire as insured under any insurance carried by the other any right to participate in the adjustment of loss or to receive insurance proceeds and agrees upon request promptly to endorse and deliver to the other party any checks or other instruments in payment of loss in which it is named as payee.

#### **Section 12.09 Status Certificate.**

Tenant agrees from time to time, upon not less than fifteen days' prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and is full force and effect and that Tenant has no defenses, offsets or counterclaims against its obligations to pay the Annual Rent and Percentage Rent and any other additional rent and charges and to perform its other covenants under this Lease (or, if there have been any modifications that the same is in full force and effect as modified and stating the modifications and, if there are any defenses, offsets, or counterclaims, setting them forth in reasonable detail), and the dates to which the Annual Rent and Percentage Rent and any other additional rent and charges have been paid. Tenant acknowledges that any prospective purchaser or mortgagee of the Premises or the Center or any prospective assignee of any such mortgage may rely on any statement delivered pursuant to this Section 12.09.

#### **Section 12.10 Rights of Mortgagee and Subordination**

No holder of a mortgage shall be liable either as mortgagee or as assignee, to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall have acquired indefeasible title to the Premises and then only subject to and with the benefit of the provisions of Section 12.05 above.

This Lease shall be subject and subordinate to any mortgage now or hereafter upon the mortgaged Premises by Landlord.

No assignment or sublease by Tenant of this Lease and no agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the rent, change the Lease Term, or otherwise materially change the rights of Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to by Landlord's mortgagees of record, if any.

No Annual Rent, Percentage Rent, additional rent, or any other charge shall be paid more than ten days prior to the due date thereof and payments made in violation of this provision shall (except to the extent that such payments are actually received by a mortgagee) be a nullity as against such mortgagee and Tenant shall be liable for the amount of such payments to such mortgagee.

No act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release or termination of such obligations or a termination of this Lease unless (i) Tenant shall have first given written notice of Landlord's act or failure to act to Landlord's mortgagees of record, if any, specifying the act or failure to act on the part of Landlord which could or would give basis to Tenant's rights; and (ii) such mortgagees, after receipt of such notice, have failed or refused to correct or cure the condition complained of within a reasonable time thereafter; but nothing contained in this Section 12.10 shall be deemed to impose any obligation on any such mortgagees to correct or cure any such condition. "Reasonable time" as used above means and includes a reasonable time to obtain possession of the mortgaged premises if the mortgagee elects to do so and a reasonable time to correct or cure the condition if such condition is determined to exist. Tenant agrees on request of Landlord to execute and deliver from time to time any agreement that may reasonably be deemed necessary to implement the provisions of this Section 12.10. The covenants and agreements contained in this Lease with respect to the rights, powers and benefits of

a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Section 12.10) constitute a continuing offer to any person, corporation or other entity becoming the mortgagee of the mortgaged premises, and such mortgagee is hereby constituted an obligee of Tenant to the same extent as though its name was written hereon as such; and such mortgagee shall be entitled to enforce such provisions in its own name.

**Section 12.11 No Accord and Satisfaction**

No acceptance by Landlord of a lesser sum than the Annual Rent, Percentage Rent, additional rent or any other charge then due shall be deemed to be other than on account of the earliest installment of such rent or charge due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent or other charge be deemed binding on Landlord or an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease and at law provided.

**Section 12.12 Applicable Law and Construction**

This Lease shall be governed by and construed in accordance with the laws of the state in which the Center is located. If any term of this Lease, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law. There are no oral or written agreements between Landlord and Tenant affecting this Lease. Only instruments in writing executed by Landlord and Tenant may amend this Lease. Landlord shall not be deemed, in any way or for any purpose, to have become, by the execution of this Lease or any action taken hereunder, a partner of Tenant in its business or otherwise a joint venturer or a member of any enterprise with Tenant. The titles of the several articles and Sections contained herein are for convenience only and shall not be considered in construing this Lease. If there be more than one tenant the obligations imposed by this Lease upon Tenant shall be joint and several. Landlord and Tenant hereby waive their rights to a trial by jury.

**Section 12.13 Warranties**

It is agreed that no warranties or representations, either express or implied in law or in fact have been made by Landlord.

**Section 12.14 Hazardous Material Storage and Disposal.**

Tenant covenants and agrees to comply with all federal, state and local laws and by-laws and rules and regulations there under governing the use, storage and disposal of hazardous materials and oil (as hereinafter defined) and in connection therewith Tenant agrees that it shall:

- (i) not store or use (except in compliance with all laws, ordinances and regulations pertaining thereto and after obtaining all required governmental licenses and permits), or dispose of any hazardous material or oil on the Premises;
- (ii) neither directly nor indirectly transport or arrange for the transport of any hazardous material or oil (except in compliance with all laws, ordinances and regulations pertaining thereto and after obtaining all required governmental licenses and permits);
- (iii) provide Landlord with written notice: (i) upon the Tenant's obtaining knowledge of any potential or known release, or threat of release, of any hazardous material or oil at or from the Premises; (ii) upon Tenant's receipt of any notice to such effect from any federal, state or other governmental authority; or (iii) upon Tenant's obtaining knowledge of any occurrence of any expenses of loss by such governmental authority in connection with the assessment, containment or removal of

any hazardous material or oil for which expenses or loss Tenant may be liable or for which expenses a lien may be imposed on the Premises.

In the event that tenant fails to comply with the requirements of any applicable federal, state or other governmental law with respect to the use, treatment, disposal or storage of hazardous materials or oil on the Premises, Landlord may, at its election, but without obligation to do so, take any and all actions which it deems necessary to cure said failure of compliance and any and all amounts paid as a result thereof, together with interest thereon at the highest rate allowed by law from the date of payment, shall be immediately due and payable by Tenant to Landlord; or Landlord by the payment of any assessment, claim or charge may, if it sees fit, be thereby subrogated to the rights of any governmental agency or authority having a claim against Tenant, but such payment shall not be deemed to relieve Tenant from any default hereunder or impair any right or remedy with respect thereto.

The terms "hazardous material(s)", "oil," "release," and threat or release" shall have the same meanings given those terms by any local, state or federal environmental statute, regulation, ordinance or law.

The breach by Tenant of any of the foregoing shall be conclusively deemed a default by Tenant entitling Landlord, on notice to Tenant and with no opportunity to Tenant to cure such breach, to terminate this Lease without waiving and specifically reserving all rights and remedies afforded it under this Lease and by law.

Tenant further agrees to defend (with counsel approved by Landlord), indemnify and hold harmless Landlord from and against any and all liability occasioned by Tenant's use, handling, storage, transportation or disposal of any and all oil, hazardous substance or hazardous material as set forth in this Section. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

#### **Section 12.15 Submission not an Option**

The submission of the Lease or a summary of some or all of its provisions for examination does not constitute a reservation of or option for the Premises, or an offer to lease, it being understood and agreed that this Lease shall not bind Landlord in any manner whatsoever until it has been approved and executed by Landlord and delivered to Tenant.

#### **Section 12.16 Option to Extend**

The named Tenant herein only shall have the option to extend this Lease for ( ) successive period(s) of ( ) years by notice in writing given to Landlord not less than Six (6) nor more than twelve (12) months prior to the end of the original term or any extended term, as the case may be, provided that at the time of exercise of this option through the commencement of the option period Tenant is not in default in the performance or observance of any of the covenants, agreements, terms, provisions or conditions contained herein and on its part to be performed or which written notice has been given to Tenant. All of the covenants, agreements, terms, provisions and conditions of this Lease (except the option contained in this Article) shall apply during the extended term. Time is of the essence of this Section as well as every other section of this Lease. Landlord may, at its discretion, waive Tenant's default upon giving notice thereof to Tenant.

[ SIGNATURES ON FOLLOWING PAGE ]



WITNESS the execution hereof in three or more counterparts and under seal on the day and year first above written.

LANDLORD: J&N WHITINSVILLE TRUST

BY: L Vinios

LOUIS N. VINIOS, TRUSTEE

TENANT:

BY: Dimple A Desai

DIMPLE A DESAI, President

DOUGLASPAK INC

# NTM License Slips

Row 4

**Current Status** On Agenfa for 4/10/17

**Done**

**License ID:** NTM#16028

**License Type:** Package All Alcohol

**Description:** Douglasspak Inc d/b/a Arcade Package Store is requesting to transfer Package Store All Alcohol license from Douglas Package Store Inc d/b/a Arcade Package Store [David Wnukowski, Mgr.], 185 Church Street, Unit 1, Whitinsville to Douglasspak, Inc d/b/a Arcade Package Store [Mr. Chanjay Amin, Mgr.]

**Business:** Douglas Package Store Inc d/b/a Arcade Package Store

**Applicant:** Mr. Chanjay Amin, Mgr.

**Address:** 185 Church Street

**Approval Target** 04/05/17

**Slip Started on:** 03/27/17 9:29 AM

**PLANNING**  
**Approve:** ✓

**PLANNING**  
**Comments:** N/A -Not Applicable

**POLICE**  
**Approve:** ✓

**POLICE**  
**Comments:**

**FIRE Approve:** ✓

**FIRE Comments:**

**BUILDING**  
**ZONING**  
**Approve:** ✓

**BUILDING**  
**ZONING**  
**Comments:** Approved 4/4/2017

**CONSERVATION**  
**Approve:** ✓

**CONSERVATION** approved - not applicable to state and town wetland regulations.  
**Comments:**

**HEALTH** ✓  
**Approve:**

**HEALTH** Applicant has applied for Retail Food and Tobacco Sales Permits -  
**Comments:** permits are pending transfer of license. All set with Board of Health.

**ASSESSORS** ✓  
**Approve:**

**ASSESSORS** No Issues. Bob Fitzgerald-Assessors 4/4/17  
**Comments:**

**TREASURER** ✓  
**COLLECTOR**  
**Approve:**

**TREASURER**  
**COLLECTOR**  
**Comments:**



#### Comments

approved - not applicable to state and town wetland regulations.  
bkinney@northbridgemass.org on 04/05/17 8:54 AM

Approved 4/4/2017  
jsheehan@northbridgemass.org on 04/04/17 1:47 PM

No Issues. Bob Fitzgerald-Assessors 4/4/17  
rfitzgerald@northbridgemass.org on 04/04/17 4:19 PM

E1

## SUBORDINATION AGREEMENT

The **TOWN OF NORTHBRIDGE**, a Massachusetts municipal corporation (the "Town"), present holder of an Affordable Housing Restriction (the "Affordable Housing Restriction") from **SOUTH MIDDLESEX NON-PROFIT HOUSING CORPORATION** ("SMNPHC"), dated May 22, 2007 and recorded with the Worcester District Registry of Deeds (the "Registry") in Book 41400, Page 171, as affected by a Certificate Not to Encumber (the "Certificate Not to Encumber") dated July 9, 2007 and recorded with the Registry in Book 41690, Page 1, as amended by an Amendment to Certificate Not to Encumber (the "Amendment to Certificate Not to Encumber") dated October 11, 2007 and recorded with the Registry in Book 42029, Page 82 (the Affordable Housing Restriction, Certificate Not to Encumber and Amendment to Certificate Not to Encumber are hereinafter collectively referred to as the "Subordinated Affordable Housing Restriction") encumbering that certain property known and numbered as 33-43 Overlook Street, Northbridge, Massachusetts (the "Premises"), for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, hereby subordinate the Subordinated Affordable Housing Restriction and the obligations secured thereby to a mortgage covering the Premises given by SMNPHC to **MIDDLESEX SAVINGS BANK** dated January 19, 2017 (the "Middlesex Mortgage") recorded with the Registry in Book 56638, Page 150, to the same extent as if the Middlesex Mortgage had been executed and recorded before the execution and recording of the Subordinated Affordable Housing Restriction.

*[Signature pages to follow]*

**MIDDLESEX SAVINGS BANK**

**SOUTH MIDDLESEX NON-  
PROFIT HOUSING CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: James T. Cuddy  
Its: Executive Director

**THE COMMONWEALTH OF MASSACHUSETTS**

Middlesex, ss.

On this \_\_\_\_\_ day of \_\_\_\_\_ 2017, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that s/he signed it voluntarily for its stated purpose as \_\_\_\_\_ of **Middlesex Savings Bank.**

*(official seal)*

\_\_\_\_\_  
Notary Public

My commission expires:

**THE COMMONWEALTH OF MASSACHUSETTS**

Middlesex, ss.

On this \_\_\_\_\_ day of \_\_\_\_\_ 2017, before me, the undersigned notary public, personally appeared **James T. Cuddy**, proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he signed it voluntarily for its stated purpose as **Executive Director of South Middlesex Non-Profit Housing Corporation.**

*(official seal)*

\_\_\_\_\_  
Notary Public

My commission expires:

EA

## SUBORDINATION AGREEMENT

The **TOWN OF NORTHBRIDGE**, a Massachusetts municipal corporation (the "Town"), present holder of an Affordable Housing Restriction (the "Affordable Housing Restriction") from **SOUTH MIDDLESEX NON-PROFIT HOUSING CORPORATION** ("SMNPHC"), dated September 26, 2006 and recorded with the Worcester District Registry of Deeds (the "Registry") in Book 15934, Page 76, as affected by a Certificate Not to Encumber (the "Certificate Not to Encumber") dated June 27, 2006 and recorded with the Registry in Book 39365, Page 300, as amended by an Amendment to Certificate Not to Encumber (the "Amendment to Certificate Not to Encumber") dated July 9, 2007 and recorded with the Registry in Book 41505, Page 135 (the Affordable Housing Restriction, Certificate Not to Encumber and Amendment to Certificate Not to Encumber are hereinafter collectively referred to as the "Subordinated Affordable Housing Restriction") encumbering that certain property known and numbered as 25-35 C Street, Northbridge, Massachusetts (the "Premises"), for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, hereby subordinate the Subordinated Affordable Housing Restriction and the obligations secured thereby to a mortgage covering the Premises given by SMNPHC to **MIDDLESEX SAVINGS BANK** dated January 19, 2017 (the "Middlesex Mortgage") recorded with the Registry in Book 56638, Page 150, to the same extent as if the Middlesex Mortgage had been executed and recorded before the execution and recording of the Subordinated Affordable Housing Restriction.

*[Signature pages to follow]*

25-35 C Street, Northbridge, Massachusetts

**MIDDLESEX SAVINGS BANK**

**SOUTH MIDDLESEX NON-  
PROFIT HOUSING CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: James T. Cuddy  
Its: Executive Director

**THE COMMONWEALTH OF MASSACHUSETTS**

Middlesex, ss.

On this \_\_\_\_\_ day of \_\_\_\_\_ 2017, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that s/he signed it voluntarily for its stated purpose as \_\_\_\_\_ of **Middlesex Savings Bank.**

*(official seal)*

\_\_\_\_\_  
Notary Public

My commission expires:

**THE COMMONWEALTH OF MASSACHUSETTS**

Middlesex, ss.

On this \_\_\_\_\_ day of \_\_\_\_\_ 2017, before me, the undersigned notary public, personally appeared **James T. Cuddy**, proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he signed it voluntarily for its stated purpose as **Executive Director of South Middlesex Non-Profit Housing Corporation.**

*(official seal)*

\_\_\_\_\_  
Notary Public

My commission expires:

## Old Mortgage Terms

| Loan<br># | Description    | Origination/<br>Modification<br>date | Original<br>Amount | Rate  | Maturity<br>Date |
|-----------|----------------|--------------------------------------|--------------------|-------|------------------|
| 88117029  | Blanket Loan I | 10/29/2003                           | 7,830,000          | 4.25% | 11/18/2029       |



SMOC  
Mortgage Payables  
3/31/17

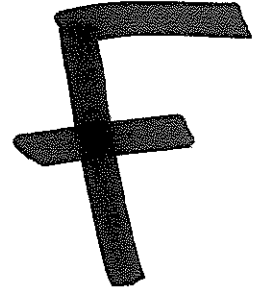
| DEPT | ADDRESS                          | NOTE PAYABLE W/   | ORIGINAL DAT | LOAN NUMBER | ORIG AMT      | INT.  | MAT. DATE | BEG. BAL. | ADDITIONS | REFI PAYDOWNS | PRIN PMTS | G/L BALANCE |
|------|----------------------------------|-------------------|--------------|-------------|---------------|-------|-----------|-----------|-----------|---------------|-----------|-------------|
|      |                                  |                   |              |             |               |       |           |           |           |               |           | 03/31/17    |
| 159  | Northbridge/Whitinsville         | Middlesex Savings | 01/19/17     | 165704668   | 14,405,836.00 | 4.00% | 1/19/32   |           |           |               |           | 0.00        |
| 035  | 17-23 A St., Whitinsville        | Middlesex Savings | 01/19/17     | 165704668   | 14,405,836.00 | 4.00% | 1/19/32   |           |           |               |           |             |
| 036  | 150-160 Border St., Whitinsville | Middlesex Savings | 01/19/17     | 165704668   | 14,405,836.00 | 4.00% | 1/19/32   |           |           | 201,681.70    |           | 201,681.70  |
| 037  | 25-35 C St., Whitinsville        | Middlesex Savings | 01/19/17     | 165704668   | 14,405,836.00 | 4.00% | 1/19/32   |           |           | 273,710.88    |           | 273,710.88  |
| 038  | 21-31 Overlook St., Whitinsville | Middlesex Savings | 01/19/17     | 165704668   | 14,405,836.00 | 4.00% | 1/19/32   |           |           | 302,522.56    |           | 302,522.56  |
| 039  | 33-43 Overlook St., Whitinsville | Middlesex Savings | 01/19/17     | 165704668   | 14,405,836.00 | 4.00% | 1/19/32   |           |           | 316,928.39    |           | 316,928.39  |
|      |                                  |                   |              |             |               |       |           |           |           | 259,305.05    |           | 259,305.05  |

# **Northbridge Firefighters Local 3338**

PO Box 313 Whitinsville Ma 01588



5-17-17



To the Board of Selectman, Town of Northbridge,

The members of the Northbridge Fire Dept. respectfully request permission to hang a banner over Church St for our annual Fourth of July Fireworks Event scheduled for Friday June 30th of this year with a rain date of July 7th. We would like to put the banner up on or around June 18<sup>th</sup> – June 30th.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Thomas Valdivia".

Thomas Valdivia, Firefighter  
Northbridge Fire Dept.

✓ Available 6/18 - 7/2

BOS Agenda 5/22/17

**Melissa Wetherbee**

**From:** Sharon Susienka <ssusienka@northbridgemass.org>  
**Sent:** Tuesday, May 16, 2017 3:03 PM  
**To:** Melissa Wetherbee  
**Subject:** FW: Church Street Banner --- July 9-17  
**Attachments:** PastedGraphic-2.tiff; ATT00001.htm; Whitinsville Serve Banner.pdf; ATT00002.htm

Please handle.

*Sharon L. Susienka  
Exec. Asst. to the Town Manager  
Town of Northbridge  
Phone: 508-234-2095  
Fax: 508-234-7640*

G

**From:** Annika Bangma [mailto:annika@psrc.org]  
**Sent:** Tuesday, May 16, 2017 2:55 PM  
**To:** ssusienka@northbridgemass.org; Melissa Wetherbee <mwetherbee@northbridgemass.org>  
**Subject:** Church Street Banner --- July 9-17

Hi Sharon,

Like last year, we would again like the Selectman's approval to hang our SERVE banner over the street from July 9-17. This is the same banner that was hung last year during this time. (Photo included below.)

Thank you for your help!

✓ Available July 2, 2017 to July 16, 2017



# **Welcome Whitinsville Serve**

**Connecting Students to Christ, the Church and Community**

HOSTED AT PLEASANT STREET CHRISTIAN REFORMED CHURCH • JULY 9 - 16, 2016

## *Know all Men by These Presents,*

HI

That the Town of Northbridge, in the County of Worcester and Commonwealth of Massachusetts, in consideration of Three Thousand Two Hundred Dollars, paid by **Glenn and Barbara Focht, of 31 Sibley Street, Grafton, MA**, the receipt of which is hereby acknowledged, does sell and convey to said Glenn and Barbara Focht, that certain cemetery **Lots No. 43 & 44, two burial plots, situated on the way called Fir Ave North, in the Pine Grove Cemetery**, and the sole and exclusive right of burial of the dead therein, subject to the following rules and restrictions for the regulation and government of said Cemetery; viz:

1<sup>st</sup>. That the said Lot shall not be used for any other purpose than as a place of burial for the dead, and proper Cemetery uses, such as the Town may approve; and no trees within the Lot or the Cemetery shall be cut down or destroyed without consent of the Town.

2<sup>nd</sup>. That if any trees or shrubs in said Lot shall become in any way detrimental to the adjacent lots or avenues, or dangerous or inconvenient, the Town shall have the right to enter into said Lot and remove said trees or shrubs, or such parts thereof as are dangerous, detrimental or inconvenient.

3<sup>rd</sup>. That if any monument or other structure whatever, or any inscription, be placed in the said Lot which shall be determined by the Town to be offensive, the Town shall have the right to enter upon said Lot and remove said offensive or improper object or objects.

4<sup>th</sup>. If a fence shall at any time be erected or placed in or around said Lot, the materials or design of which shall not be approved by the Town, it must be forthwith removed upon direction of the Town, and if not so removed the Town shall have the right to enter upon said Lot and remove said fence.

5<sup>th</sup>. The said lot shall be holden subject to all by-laws, rules and regulations made and to be made by the Town.

IN WITNESS WHEREOF, the said Town of Northbridge has caused these presents to be signed and sealed by its Board of Selectmen, this 22<sup>nd</sup> day of May, in the year of our Lord Two Thousand Seventeen.

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*Know all Men by These Presents*

H. 2

That the Town of Northbridge, in the County of Worcester and Commonwealth of Massachusetts, in consideration of Three Thousand Two Hundred Dollars, paid by **David J. and Shirley M. Morrow, of Uxbridge, MA**, the receipt of which is hereby acknowledged, does sell and convey to said David J. and Shirley M. Morrow, that certain cemetery **Lot No. 32, two burial plots, situated on the way called Locust Ave North, in the Pine Grove Cemetery**, and the sole and exclusive right of burial of the dead therein, subject to the following rules and restrictions for the regulation and government of said Cemetery; viz:

1<sup>st</sup>. That the said Lot shall not be used for any other purpose than as a place of burial for the dead, and proper Cemetery uses, such as the Town may approve; and no trees within the Lot or the Cemetery shall be cut down or destroyed without consent of the Town.

2<sup>nd</sup>. That if any trees or shrubs in said Lot shall become in any way detrimental to the adjacent lots or avenues, or dangerous or inconvenient, the Town shall have the right to enter into said Lot and remove said trees or shrubs, or such parts thereof as are dangerous, detrimental or inconvenient.

3<sup>rd</sup>. That if any monument or other structure whatever, or any inscription, be placed in the said Lot which shall be determined by the Town to be offensive, the Town shall have the right to enter upon said Lot and remove said offensive or improper object or objects.

4<sup>th</sup>. If a fence shall at any time be erected or placed in or around said Lot, the materials or design of which shall not be approved by the Town, it must be forthwith removed upon direction of the Town, and if not so removed the Town shall have the right to enter upon said Lot and remove said fence.

5<sup>th</sup>. The said lot shall be holden subject to all by-laws, rules and regulations made and to be made by the Town.

IN WITNESS WHEREOF, the said Town of Northbridge has caused these presents to be signed and sealed by its Board of Selectmen, this 22<sup>nd</sup> day of May, in the year of our Lord Two Thousand Seventeen.

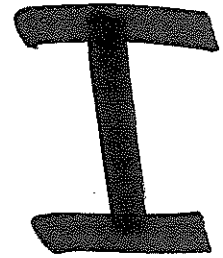
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TOWN OF NORTHBRIDGE, MASSACHUSETTS

INDEPENDENT AUDITORS' REPORTS PURSUANT  
TO GOVERNMENT AUDITING STANDARDS

YEAR ENDED JUNE 30, 2016

TOWN OF NORTHBRIDGE, MASSACHUSETTS

INDEPENDENT AUDITOR'S REPORTS PURSUANT TO  
GOVERNMENT AUDITING STANDARDS

YEAR ENDED JUNE 30, 2016

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PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of Selectmen  
Town of Northbridge, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northbridge, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Northbridge, Massachusetts's basic financial statements, and have issued our report thereon dated January 17, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Northbridge's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the Town of Northbridge's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Northbridge's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Northbridge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Borgatti Harrison & Co.

Framingham, Massachusetts

January 17, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Board of Selectmen  
Town of Northbridge, Massachusetts

**Report on Compliance for Each Major Program**

We have audited the Town of Northbridge, Massachusetts's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Northbridge's major federal programs for the year ended June 30, 2016. The Town of Northbridge, Massachusetts's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Northbridge, Massachusetts's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Northbridge, Massachusetts's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Town of Northbridge, Massachusetts's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Town of Northbridge, Massachusetts complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

The Town of Northbridge, Massachusetts's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Northbridge, Massachusetts's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Management of the Town of Northbridge, Massachusetts, is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Northbridge's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Northbridge's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Schedule of Expenditures of Federal Awards required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northbridge, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Northbridge's basic financial statements. We issued our report thereon dated January 17, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Borgatti Harrison & Co.

Framingham, Massachusetts  
January 17, 2017

ACCOMPANYING INFORMATION

**TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016**

| <u>Federal Grantor</u><br><u>Pass-through Grantor</u><br><u>Program Title</u> | <u>Federal</u><br><u>CFDA</u><br><u>Number</u> | <u>Expenses</u>            |
|---|--|----------------------------|
| <b><u>U.S. Department of Education</u></b>                                    |  |                            |
| Passed through the Commonwealth of Massachusetts -                            |  |                            |
| Department of Elementary and Secondary Education                              |  |                            |
| <u>Special Education Cluster</u>  |  |                            |
| Title VIB SPED IDEA   | 84.027   | \$ 681,816                 |
| SPED Program Improvement  | 84.027   | 19,793                     |
| E.C. SPED Program Improvement   | 84.173   | 2,250                      |
| SPED Early Childhood  | 84.173   | 18,493                     |
|   |  | <u>722,352</u>             |
| Title 1   | 84.010   | 318,186                    |
| Title 1 School Support  | 84.010   | 310,829                    |
| Title I C   | 84.010   | 7,357                      |
| Title II A  | 84.367   | 88,481                     |
| Total U.S. Department of Education  |  | <u>1,447,205</u>           |
| <b><u>U.S. Department of Agriculture</u></b>                                  |  |                            |
| Passed through the Commonwealth of Massachusetts -                            |  |                            |
| Department of Elementary and Secondary Education                              |  |                            |
| National School Lunch Program   | 10.555   | 467,520                    |
| Total U.S. Department of Agriculture  |  | <u>467,520</u>             |
| <b><u>U.S. Department of Transportation</u></b>                               |  |                            |
| Passed through the Commonwealth of Massachusetts -                            |  |                            |
| Governors Highway Bureau  |  |                            |
| Traffic Enforcement   | 20.600   | 8,061                      |
| Total U.S. Department of Transportation                                       |  | <u>8,061</u>               |
| <b><u>U.S. Department of Homeland Security</u></b>                            |  |                            |
| Passed through the Commonwealth of Massachusetts -                            |  |                            |
| State Homeland Security Program   |  |                            |
| Assistance to Firefighters  | 97.044   | 712,500                    |
| Emergency Management Performance Grant  | 97.042   | 55                         |
| Total U.S. Department of Homeland Security                                    |  | <u>712,555</u>             |
| <b><u>Institute of Museum and Library Services</u></b>                        |  |                            |
| Passed through the Massachusetts Board of Library Commissioners-              |  |                            |
| LSTA Grant  | 45.31  | 6,527                      |
| Total Institute of Museum and Library Services                                |  | <u>6,527</u>               |
| <b><u>U.S. Department of Housing and Urban Development</u></b>                |  |                            |
| Passed through the Commonwealth of Massachusetts -                            |  |                            |
| Department of Housing and Community Development                               |  |                            |
| Disaster Recovery Grant Program   | 14.269   | 1,280,104                  |
| Total U.S. Department of Housing and Urban Development                        |  | <u>1,280,104</u>           |
|   |  | <u><u>\$ 3,921,972</u></u> |

See accompanying notes to schedule

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Northbridge, Massachusetts.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and on internal control over financial reporting based on an audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Town of Northbridge, Massachusetts were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the report on compliance with requirements applicable to each major program and internal control over compliance.
5. The auditor's report on compliance for the major award programs for the Town of Northbridge, Massachusetts expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for the Town of Northbridge, Massachusetts.
7. The programs tested as major programs include the following:

|                                   | <u>CFDA Number</u> |
|-----------------------------------|--------------------|
| • National School Lunch           | 10.555             |
| • Disaster Recovery Grant Program | 14.269             |
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Northbridge, Massachusetts was determined to be a high-risk auditee.

B. Findings – Financial Statements Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs Audit

U.S. Department of Agriculture  
2016-001 National School Lunch Program – CFDA No. 10.555; Grant period – Year ended June 30, 2016

*Statement of Condition:* One out of five applications selected for verification did not qualify for reduced lunch but continued to receive reduced lunch fees.

*Criteria:* Eligibility for free or reduced lunches requires family income to be below the published income scales.



TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016  
(Continued)

*Cause:* Procedures are in place for selecting applications for verification and documenting test procedures. However, one out of five applications selected exceeded the family income level and was not subsequently changed to "denied" status.

*Effect:* A family of four students continued to receive reduced lunch fees.

*Recommendation:* We recommend the Application Verification process be reviewed by an appropriate supervisor in the School Business office.

*Views of Responsible Officials and Planned Corrective Action:* The School Department agrees with the finding and is in the process of implementing supervisory review procedures of the Application Verification process.

*Questioned Costs:* The family was served 350 lunches and 167 breakfasts at the reduced price instead of the paid price resulting in a questioned cost of \$1,066.80

D. Prior Year Audit Findings and Questioned Costs

None

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### 1. General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance of the Town of Northbridge, Massachusetts. The Town reporting entity is defined in Note 1 to the Town's financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

#### 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements.

#### 3. Relationship to Federal Financial Reports

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the financial statements.

TOWN OF NORTHBRIDGE, MASSACHUSETTS

BASIC FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION

YEAR ENDED JUNE 30, 2016

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF NORTHBRIDGE, MASSACHUSETTS

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

The Honorable Board of Selectmen  
Town of Northbridge, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northbridge, Massachusetts, as of and for the year ended June 30, 2016, (except for the Northbridge Contributory Retirement System, which is as of and for the year ended December 31, 2015) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northbridge, Massachusetts, as of June 30, 2016, (except for the Northbridge Contributory Retirement System, which is as of and for the year ended December 31, 2015) and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and certain pension and other postemployment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Government Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2017, on our consideration of the Town of Northbridge, Massachusetts's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Northbridge, Massachusetts's internal control over financial reporting and compliance.



Borgatti Harrison & Co.

Framingham, Massachusetts  
January 17, 2017

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## Management's Discussion and Analysis

As management of the Town of Northbridge (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Northbridge for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements, which begin on page 14 of this report.

### Financial Highlights:

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$12,928,104 (*net assets, Statement of Net Assets, page 14*). Of this amount, \$(27,840,217) (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$3,228,929 in fiscal year 2016. Net assets of governmental activities decreased by \$3,324,219 and net assets of business-type activities increased by \$95,290.
- The total cost of all Town's services for fiscal 2016 was \$59,919,872 (*Statement of Activities, page 15*), \$56,620,406 of which was for governmental services, and \$3,299,466 of which was for business-type activities.
- At June 30, 2016, the Town's governmental funds reported a combined ending fund balance of \$13,836,970 (*Balance sheet, page 16*). The combined governmental funds fund balance increased by \$1,677,602 (*Statement of Revenues, Expenditures and Changes in Fund Balances, page 18*) from the prior year's ending fund balance. A total of \$3,307,762 or 24% of the \$13,836,970 fund balance is considered unassigned at June 30, 2016.
- The Town's general fund reported a fund balance of \$7,734,990 (*Balance Sheet, page 16*) at the end of fiscal year 2016. The unassigned fund balance for the general fund was \$3,307,762 or 7.4% of total general fund expenditures and transfers to other funds. There was a \$1,084,635 increase in total general fund balance for the year.
- The Town's total bonded debt decreased by \$1,395,208 or 15.14% during the year. The key factors in this change were debt service payments of \$1,395,208 and no new issuances.

## Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business. The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the cash flows*. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions and activities of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions and activities that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the Town include the broad functions of general government; public safety; education; public works; health & human services; and culture and recreation. The business-type activities of the Town include two enterprise activities: the water system; and the sanitary sewer system.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.



The Town maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the stabilization fund, and the capital projects fund, all of which are considered to be major funds. Data from the other 7 funds are combined into a single, aggregated presentation under the caption *non-major governmental funds*.

The basic governmental fund financial statements can be found on pages **16-20** of this report.

**Proprietary funds:** The Town maintains one type of proprietary fund, *Enterprise funds*, which are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses two enterprise funds to account for water, and sanitary sewer activities.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, and sanitary sewer activities, both of which are considered major funds of the Town.

The basic proprietary fund financial statements can be found on pages **21-23** of this report.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* included in the government-wide financial statements because the resources of the funds are *not* available to support the Town's own functions and activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements provide separate information for the pension trust fund of the Town. All other fiduciary funds are combined into a single, aggregate presentation in the fiduciary fund financial statements under the caption private purpose trust funds.

The fiduciary fund financial statements can be found on pages **24-25** of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages **27-59** of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning all legally adopted budgets. The Town adopts an annual appropriation budget for the general, water, and sewer funds. Budgetary comparison schedules are presented to demonstrate compliance with the budget – general fund on page **20** of this report.

This report also presents certain required supplementary information regarding the Town's progress in funding its obligation to provide pension benefits to its employees.

## Government-wide Financial Analysis:

### Town of Northbridge Net Assets

|   | Governmental  |               | Business-type |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Activities    |               | Activities    |               | Total         |               |
|   | 2016          | 2015          | 2016          | 2015          | 2016          | 2015          |
| Current assets                            | \$ 18,864,679 | \$ 17,680,656 | \$ 4,625,799  | \$ 5,288,519  | \$ 23,290,478 | \$ 22,969,175 |
| Non current assets(except capital assets) | -             | -             | 965,019       | 1,250,427     | 965,019       | 1,250,427     |
| Capital assets                            | 32,708,747    | 33,245,763    | 13,287,478    | 13,052,131    | 45,996,225    | 46,297,894    |
| Total assets                              | 51,373,426    | 50,926,419    | 18,878,296    | 19,591,077    | 70,251,722    | 70,517,496    |
| Deferred outflow of resources             | 1,786,019     | 80,304        | -             | -             | 1,786,019     | 80,304        |
| Current liabilities                       | 3,995,724     | 4,588,853     | 1,030,256     | 1,036,737     | 5,025,980     | \$ 5,625,590  |
| Long term liabilities                     | 48,913,218    | 42,843,148    | 5,170,439     | 5,972,029     | 54,083,657    | 48,815,177    |
| Total liabilities                         | 54,694,961    | 47,512,305    | 6,200,695     | 7,008,766     | 60,895,656    | 54,521,071    |
| Net assets:                               |               |               |               |               |               |               |
| Invested in capital, net of related debt  | 30,833,036    | 30,757,944    | 8,422,699     | 7,666,088     | 39,255,735    | \$ 38,424,032 |
| Restricted                                | 1,512,586     | 2,067,357     | -             | -             | 1,512,586     | \$ 2,067,357  |
| Unrestricted                              | (32,095,119)  | (29,250,579)  | 4,254,902     | 4,916,223     | (27,840,217)  | (24,334,356)  |
| Total net assets                          | \$ 250,503    | \$ 3,574,722  | \$ 12,677,601 | \$ 12,582,311 | \$ 12,928,104 | \$ 16,157,033 |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's assets exceeded liabilities by \$12,928,104 the close of the most recent fiscal year.

Governmental activity long-term liabilities include \$1,628,603 in general obligation bonds payable. Business-type activity long-term liabilities include \$5,145,000 in general obligation bonds. Also included in governmental activity long-term liabilities is other post employment benefits obligation of \$30,744,609 and net pension liability of \$15,519,377.

The largest portion of the Town's total net assets (303.65%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources to repay debt must be provided from other sources, since capital assets themselves, cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (11.70%) represents resources that are subject to restrictions placed on how they may be used by parties external to the Town. The remaining balance of unrestricted net assets, \$(27,840,217) or (-215.35%), of total net assets may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net assets is \$(27,840,217); the unrestricted net assets of the Town's business-type activities, \$4,254,902 may not be used to fund governmental activities.

At the end of the current fiscal year, the Town is able to report positive balances in two of three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's total net assets decreased by \$3,228,929 during the current fiscal year, a 92.99% of a decrease occurred in the governmental activities and a 0.78% of an increase occurred in the business-type activities.

**Town of Northbridge  
Changes in Net Assets**

|   | Governmental |              | Business-type |               | Total         |               |
|---|--------------|--------------|---------------|---------------|---------------|---------------|
|   | Activities   |              | Activities    |               | Total         |               |
|   | 2016         | 2015         | 2016          | 2015          | 2016          | 2015          |
| Revenues:                               |              |              |               |               |               |               |
| Program Revenues:                       |              |              |               |               |               |               |
| Charges for service                     | \$ 2,795,856 | \$ 3,060,260 | \$ 3,633,156  | \$ 3,713,237  | \$ 6,429,012  | \$ 6,773,497  |
| Operating grants and contributions      | 25,362,311   | 22,851,098   | -             | -             | 25,362,311    | 22,851,098    |
| Capital grants and contributions        | 4,413        | 5,219        | -             | -             | 4,413         | 5,219         |
| General Revenues:                       |              |              |               |               |               |               |
| Property and excise taxes               | 22,479,373   | 21,021,930   | -             | -             | 22,479,373    | 21,021,930    |
| Grants and contributions-not restricted | 2,017,521    | 1,949,902    | -             | -             | 2,017,521     | 1,949,902     |
| All other                               | 362,055      | 250,042      | 36,258        | 59,650        | 398,313       | 309,692       |
| Total revenues                          | 53,021,529   | 49,138,451   | 3,669,414     | 3,772,887     | 56,690,943    | 52,911,338    |
| Expenses                                |              |              |               |               |               |               |
| General government                      | 1,516,171    | 1,470,212    | -             | -             | 1,516,171     | 1,470,212     |
| Public safety                           | 4,773,095    | 4,792,060    | -             | -             | 4,773,095     | 4,792,060     |
| Education                               | 28,610,948   | 28,094,612   | -             | -             | 28,610,948    | 28,094,612    |
| Public works                            | 3,614,016    | 2,215,350    | -             | -             | 3,614,016     | 2,215,350     |
| Health & human services                 | 495,597      | 512,031      | -             | -             | 495,597       | 512,031       |
| Culture & recreation                    | 308,732      | 252,243      | -             | -             | 308,732       | 252,243       |
| Employee benefits                       | 15,802,070   | 13,962,204   | -             | -             | 15,802,070    | 13,962,204    |
| Insurance                               | 319,125      | 312,971      | -             | -             | 319,125       | 312,971       |
| State & county charges                  | 1,092,731    | 913,755      | -             | -             | 1,092,731     | 913,755       |
| Capital Outlay                          | -            | -            | -             | -             | -             | -             |
| Interest on debt                        | 87,921       | 192,557      | -             | -             | 87,921        | 192,557       |
| Water                                   | -            | -            | 1,396,344     | 1,509,862     | 1,396,344     | 1,509,862     |
| Sewer                                   | -            | -            | 1,903,122     | 1,727,575     | 1,903,122     | 1,727,575     |
| Total expenses                          | 56,620,406   | 52,717,995   | 3,299,466     | 3,237,437     | 59,919,872    | 55,955,432    |
| Increase in net assets before transfers | (3,598,877)  | (3,579,544)  | 369,948       | 535,450       | (3,228,929)   | (3,044,094)   |
| Transfers                               | 274,658      | 206,529      | (274,658)     | (206,529)     | -             | -             |
| Increase in net assets                  | (3,324,219)  | (3,373,015)  | 95,290        | 328,921       | (3,228,929)   | (3,044,094)   |
| Net assets - Beginning of Year          | 3,574,722    | 6,947,737    | 12,582,311    | 12,253,390    | 16,157,033    | 19,201,127    |
| Net assets - End of Year                | \$ 250,503   | \$ 3,574,722 | \$ 12,677,601 | \$ 12,582,311 | \$ 12,928,104 | \$ 16,157,033 |

**Governmental activities** – Governmental activities decreased the Town’s net assets by \$3,324,219 or 92.88% during fiscal 2016. A summary of revenues and major functional expenditures is presented above. This decrease is due primarily to the recognition of other post employment benefits obligation in the amount of \$4,153,996 and the change in accounting method from governmental statements to the district-wide statements as explained in the Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances of Governmental Fund to the Statement of Activities.

**Business-type activities** – Business type activities increased the Town’s net assets by \$95,290 or 0.78% during fiscal 2016.

**Financial Analysis of Governmental Funds:**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the Town's governmental funds reported combined ending fund balances of \$13,836,970, an increase of \$1,677,602 in comparison with the prior year; \$3,307,762 of this amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is assigned to indicate it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period; committed for capital outlay and improvement purposes; and restricted for non expendable permanent fund balances and federal and state grants.

The general fund is the chief operating fund of the Town. At June 30, 2016, unassigned fund balance of the general fund was \$3,307,762, while the total fund balance was \$7,734,990. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers to other funds). Unassigned fund balance represents 7.4% of total general fund expenditures (including transfers), while total fund balance represents 17.24% of the same amount.

#### Town of Northbridge General Fund Fund Balance Trends

The total general fund balance of the Town increased by \$1,084,634 or 14.02% during fiscal 2016. The major reason for this increase was actual revenues were \$1,269,321 greater than budgeted, actual expenses were \$691,689 lower than budgeted, and the Town budgeted to use \$1,040,297 from other sources to support the fiscal 2016 operating budget.

Total fiscal year 2016 general fund revenues and transfers from other funds totaled \$45,942,460, an increase of \$2,886,087 or 6.7% over the previous fiscal year.

#### GENERAL FUND Fund Balance Trends

| Source   | Amount            | %<br>of Total | Increase/<br>(Decrease) | %<br>Change |
|--|-------------------|---------------|-------------------------|-------------|
| Real estate and Personal Property Tax                | 20,104,203        | 43.8%         | 1,161,443               | 6.1%        |
| Motor Vehicle Excise                                 | 2,250,057         | 4.9%          | 235,278                 | 11.7%       |
| Intergovernmental                                    | 21,132,895        | 46.0%         | 1,121,988               | 5.6%        |
| Departmental and other revenues                      | 967,159           | 2.1%          | 106,232                 | 12.3%       |
| Investment Income                                    | 358,886           | 0.8%          | 114,277                 | 48.7%       |
| <b>Total Revenues</b>                                | <b>44,813,200</b> | <b>97.5%</b>  | <b>2,739,218</b>        | <b>6.5%</b> |
| Transfers from other funds                           | 1,129,260         | 2.5%          | 146,869                 | 15.0%       |
| <b>Total revenues and transfers from other funds</b> | <b>45,942,460</b> | <b>100.0%</b> | <b>2,886,087</b>        | <b>6.7%</b> |

FY'16 was one of the best years the Town has experienced in quite some time. In some ways, it was the perfect economic storm for a community that has seen some difficult times. As shown above, the Town had significant increase in all of the major categories of general fund revenue. There are a number of factors that contributed to this.

First, revenues received from Personal Property and Real Estate Taxes were once again up when compared to last fiscal year. The Town once again was able to do a variety of capital expenditure exclusions which had the effect of increased tax revenue. There was a total \$381,500 in new capital projects approved at the Spring Town meeting in May of 2015. This included the purchase of a new street sweeper along with a new combination dump truck with wing plow. The other reason for the increase in real estate tax was the Town spent considerable time notifying residents about past due taxes owed to the Town. One of the items addressed in FY'16 from the previous year's Management Letter related to the assignment of tax-title accounts that had not been handled properly. After a thorough review and demand letters being sent, a considerable sum of money was collected that was previously outstanding, approximately \$500,000. This was collected prior to those accounts being moved to Tax-Title. This helped aid the Town positively in cash flow for the last six months of the year, the next effect being a higher than anticipated free cash certification.

For the fifth consecutive year, the amount of money the Town has received from Motor Vehicle Excise has increased. This is great news for a community that depends heavily on the local revenue generated within the Town. As the table above shows, FY'16 saw a significantly larger increase compared to FY'15 when the number was relatively low. All told, the increase of \$235,278 is substantial. Most of this is due to purchase of newer vehicles, as their value determines how much tax the Town can receive. This trend should continue in the future as the economy continues to improve and the Town is able to get back to levels not seen since 2007.

Departmental Revenue, items such as permits, fees, and violations, rebounded compared to FY'15 when there was a 5.6% drop in revenue. The main area for the increase was permits, as a stronger than expected housing market along with increase fees for remodeling of existing homes contributed to the \$106,000 revenue surplus.

The single largest increase in all areas of the General Fund were in Investment Income. Because of stronger than expected balances on the Town's accounts, mainly due to the reasons above, the Town was able to attain the revenue it had received in FY'16. Some of this was due to maturing notes coming due, and cash flow of certain obligations. But mainly, because the Town was able to have additional funds on hand, coupled with lower expense obligations, the Town was able to save and invest their money, earning a significant return in FY'16.

The Town continues to transfer a significant portion of other funds into the general fund to support is operations. The increase of \$146,896, smaller when compared to FY'15, still represents a large portion of what the Town needs from other funds in order to maintain operations.

Total general fund expenditures and transfers to other funds totaled \$44,857,826, an increase of \$2,537,354 or 6.0% over the previous fiscal year.

As can be seen from the chart below, the FY'16 expense budget for the Town overall rose 6% compared to FY'15, when it saw a 4.5% drop. This was mainly the case for all of the departments, as their original budgets approved at Town Meeting, including transfers or amendments, were higher than expected.

The chart illustrates that the Town spent considerable funds in most areas in FY'16.

| Function   | Amount     | %<br>of Total | Increase/<br>(Decrease) | %<br>Change |
|--|------------|---------------|-------------------------|-------------|
| General Government                                 | 1,385,108  | 3.1%          | 81,031                  | 6.2%        |
| Public Safety                                      | 4,311,402  | 9.6%          | 347,024                 | 8.8%        |
| Public Works                                       | 1,749,050  | 3.9%          | 99,653                  | 6.0%        |
| Health and human services                          | 426,017    | 0.9%          | (19,883)                | -4.5%       |
| Culture and recreation                             | 201,698    | 0.4%          | 22,168                  | 12.3%       |
| Education  | 23,414,173 | 52.2%         | 716,928                 | 3.2%        |
| Employee benefits                                  | 11,176,168 | 24.9%         | 1,163,987               | 11.6%       |
| Insurance  | 319,125    | 0.7%          | 6,154                   | 2.0%        |
| Debt service                                       | 693,391    | 1.5%          | 250,080                 | 56.4%       |
| State and county charges                           | 1,092,731  | 2.4%          | 178,976                 | 19.6%       |
| Total expenditures                                 | 44,768,863 | 99.8%         | 2,846,118               | 6.8%        |
| Transfers to other funds                           | 88,963     | 0.2%          | (308,764)               | -77.6%      |
| Total expenditures and<br>transfers to other funds | 44,857,826 | 100.0%        | 2,537,354               | 6.0%        |

The largest increase in FY'16 was Debt Service when compared to FY'15. The amount of the increase, however, was not that large. This increase was due to refinancing of a bond related to the purchase of land for the New High School that dated back to 2001. The original note became callable in 2015. This meant the Town could refinance the note at a lower interest rate. However it was not actually paid by the Town until August of 2015(FY'16) due to the timing of when the original note became due. So, the Town in essence paid 2 principal payments for the land in FY'16, the result being the large increase in Debt Service. It should be noted that over the past several years, the Town has not borrowed for any significant project, so Debt Service has been declining from year to year due to declining interest payments.

The next largest increase was the State and county charges at 19.6% over the prior year. This was mostly impacted by the increased assessment for Charter School and School Choice for students out of the district. This is the second year in a row that this line has seen double-digit increases in the Town's assessment.

The third largest increase was in the Culture and Recreation Line. The increase of \$22,168 was the primary result of increase funding to the Trustees of Soldier's Memorials. This increased funding was a direct result of needing additional funds to upkeep the various memorials in Town, as some had come into some significant disrepair. The additional funding included cleaning up the memorials and some minor repairs. The increase in employee benefits also continues to rise as both pension assessment and insurance benefits have made additional funding necessary to keep pace with increased costs. The Town's pension assessment went up modestly, approximately \$96,000. It is still important to note the increase is mainly due to losses the system incurred from the financial collapse of 2008 and 2009. The other piece of the increase is the recording of the MTRS payment. In FY'15, the payment to MTRS was \$2,652,514. In FY'16, that payment was \$3,693,855, a \$1,041,341 increase or 39% over the prior Fiscal Year. Per GAAP, this is recorded as an intergovernmental receipt for revenue purposes and as an expense under employee pensions.

Other increases in expenditure in Fiscal Year 2016 are due primarily to contractual obligation of wages.

**Proprietary Funds** – The Town's proprietary funds provide the same information found in the government-wide statements, but in slightly more detail. Unrestricted net assets amounted to \$2,191,062 for the Sewer Fund; and \$2,063,840 for the Water Fund. The sewer fund's net assets decreased by \$61,635 while the water fund's net assets increased by \$156,925.

The Sewer fund change represents a slight decrease over Fiscal Year 2015 of approximately 0.69%. This change in net position includes operating income of \$397,531, and non-operating expense of \$223,660 before any transfers.

The Water fund change represents an increase over Fiscal Year 2015 of approximately 4.20%. This change in net position includes operating income of \$201,336, and non-operating expense of \$5,259 before any transfers.

As has been the case in past years, the Town has been able to fund additional capital projects related to the Enterprise Funds. In FY'16, the Town appropriated \$73,000 for the purchase of a new 4 wheel drive utility body truck complete with crane and a plow. The Town also appropriated \$140,000 in order to meet the EPA issued Wastewater Treatment Plant NPDES discharge permit. The funds will be used for various items including a collection system, annual operations report, and a full collection system operations and maintenance plan with gap analysis.

The Town approved one capital item for the Water Enterprise Fund in FY'16. \$300,000 was allocated for the purchase and installation of radio communication equipment for a meter reading system. This purchase was necessary as the primary water distribution company for the Town of Northbridge, Whitinsville Water Company, was upgrading to a new system to aid in how the meters are read. This allocation by the Town would not only keep all of the information reporting the same, as Whitinsville Water is hired by the Town to keep track of water users for the Northbridge System, but they do the billing as well. This purchase will aid in the recording of usage as it will now be done electronically as opposed to a manual person getting the readings. The new equipment will more accurately record meter readings as well as notify the customer/provider if there is an issue.

#### **General Fund Budgetary Highlights:**

The difference between the original budget of \$40,754,595 and the final amended budget of \$41,178,938 (\$424,343 increase in appropriations) of 0.88% can be summarized as follows:

|                           |                   |
|---------------------------|-------------------|
| General Government        | \$ 157,766        |
| Public Safety             | 73,829            |
| Education                 | 196,487           |
| Public Works              | -                 |
| Health and Human Services | (30,521)          |
| Culture and Recreation    | 10,000            |
| Debt Service              | (83,487)          |
| Transfers out             | 174,750           |
| Employee Benefits         | (49,481)          |
| Insurance                 | <u>(25,000)</u>   |
| Total                     | \$ <u>424,343</u> |

The increase in appropriations is due to end of the year adjustments when transfers are necessary to balance some year-end accounts or at the Annual Fall Town Meeting if there are additional funds to appropriate at the Fall Annual Town Meeting on October 2015, additional funding was given to the Fire Department with the intention of hiring additional personnel to help with the overtime budget. The adjustment made in the line for Education was an appropriation of \$113,000 for the Northbridge School department. These funds were earmarked to restore cuts in some of the lower grades. \$30,000 was raised and given to the BPCC for funds to be used towards the initial stages of the building of a new DPW facility on Fletcher Street. The Assessor received \$66,000 for the Triennial Revaluation analysis of properties of the Town. The Town also spent \$25,000 for the purchase of a new COA 14-passenger mini bus. Additionally, the Town moved \$125,000 from the general fund to the Stabilization Fund.

## Capital Asset and Debt Administration:

**Capital assets** – The Town’s capital assets for governmental and business-type activities as of June 30, 2016, amounts to \$45,996,225, net of accumulated depreciation of \$82,357,978. The capital assets include land; buildings; improvements; machinery and equipment; streets, sidewalks, and storm drains; and water and sewer systems.

|                          | Governmental         |                      | Business-type        |                      | Total                |                      |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                          | Activities           |                      | Activities           |                      | Total                |                      |
|                          | 2016                 | 2015                 | 2016                 | 2015                 | 2016                 | 2015                 |
| Land                     | \$ 3,551,708         | \$ 3,551,708         | \$ 87,315            | \$ 87,315            | \$ 3,639,023         | \$ 3,639,023         |
| Buildings & Improvements | 18,053,110           | 18,766,111           | 6,462,544            | 6,705,313            | 24,515,654           | 25,471,424           |
| Equipment & machinery    | 2,868,820            | 2,023,601            | -                    | -                    | 2,868,820            | 2,023,601            |
| Improvements             | 1,507,679            | 1,538,411            | 86,363               | 93,878               | 1,594,042            | 1,632,289            |
| Infrastructure           | 6,727,430            | 7,365,932            | 5,617,552            | 5,519,629            | 12,344,982           | 12,885,561           |
| Construction in progress | -                    | -                    | 1,033,704            | 645,996              | 1,033,704            | 645,996              |
| <b>Total</b>             | <b>\$ 32,708,747</b> | <b>\$ 33,245,763</b> | <b>\$ 13,287,478</b> | <b>\$ 13,052,131</b> | <b>\$ 45,996,225</b> | <b>\$ 46,297,894</b> |

Major capital asset events during 2016 included the following:

- Total capital assets, net of accumulated depreciation decreased by \$301,669.
- Business-type activity capital assets increased by \$235,347 due to capital expenditures of \$662,447 and depreciation of these assets in the amount of \$427,100 in 2016.
- Government activity capital assets decreased by \$537,016 due to depreciation of these assets in the amount of \$1,957,732, and capital expenditures in the amount of \$1,420,716 in 2016.

Additional information on the Town’s capital assets may be found in Note 8 to the financial statements.

**Long term debt** – At June 30, 2016, the Town had total bonded debt outstanding of \$7,819,611, \$1,875,711 for governmental activities and \$5,943,900 for business-type activities. All debt is a general obligation of the Town, although water and sewer debt service payments are made from the resources of the enterprise funds.

|                        | Governmental        |                     | Business-type       |                     | Total               |                     |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                        | Activities          |                     | Activities          |                     | Total               |                     |
|                        | 2016                | 2015                | 2016                | 2015                | 2016                | 2015                |
| Education buildings    | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Education land         | 260,000             | 715,000             | -                   | -                   | 260,000             | 715,000             |
| Title V septic program | 74,711              | 89,819              | -                   | -                   | 74,711              | 89,819              |
| Municipal roof repairs | 1,541,000           | 1,683,000           | -                   | -                   | 1,541,000           | 1,683,000           |
| Water system           | -                   | -                   | 475,000             | 510,000             | 475,000             | 510,000             |
| Sewer system           | -                   | -                   | 5,468,900           | 6,217,000           | 5,468,900           | 6,217,000           |
| <b>Total</b>           | <b>\$ 1,875,711</b> | <b>\$ 2,487,819</b> | <b>\$ 5,943,900</b> | <b>\$ 6,727,000</b> | <b>\$ 7,819,611</b> | <b>\$ 9,214,819</b> |

Total long-term bonds and loans outstanding at June 30, 2016 decreased by \$1,395,208 or 15.1% from June 30, 2015. Total debt service payments were \$1,395,208. The Town’s bonds are rated Aa3 by Moody’s Investor Services Inc. and rated AA by Standard & Poor’s Rating Services.

Additional information on the Town’s long-term debt can be found in Note 11 to the financial statements.



**Economic Factors and Next Year's Budgets and Rates:**

According to the Commonwealth of Massachusetts Division of Employment and Training, the unemployment rate for the Town for 2016 was 3.9%, which compares unfavorably with state and favorably with national unemployment rates. The state average was 3.1% while the national rate was 4.7%. According to the U.S. Department of Commerce, the median family income for the Town for 2014 was \$70,399; the per capita income for the same time was \$29,979. This compares favorably with both state and national incomes. According to the Town's Board of Assessors, the average 2016 single family home in Northbridge is valued at \$268,500. All properties compare favorably with state and national property values. The assessed value of taxable property is \$1,448.080.087, statistically, no increase from FY'14. Triennial certification of values is scheduled for 2022.

The Town approved a fiscal year 2017 General Fund Budget of \$40,624,321, an increase of 3% or \$1,005,998 over the fiscal year 2016 General Fund Budget. The Town has been able to weather the storm of the 2008 financial crisis that shook the country as a whole. This is the ninth straight year the Town has avoided major layoffs, and due to the diligence of everyone involved, has managed to maintain adequate staffing levels while still in the midst of economic recovery. On some level, the Town appears to have turned the corner in terms of financial health. The Town is still lagging in the amount of State Aid we receive to fund both the schools and public safety. Most of the revenue to support the 2017 operating budget came from increased revenue through taxation or user fees. Specifically, fees from motor vehicle excise and from licenses and permits is the driving factor in the increase. Better than anticipated revenues from one-time sources, specifically free cash, allowed the Town to address some important capital issues. One is the restoration of the Great Hall at Town Hall. The third floor space, where once town meeting took place, was in need of various repair. Thanks to a grant from the Mass. Historical Commission, work has been undertaken to restore the Great Hall to it's original condition. Another important project moving forward is a feasibility study to review the replacement of the W. Edward Balmer Elementary School located on Crescent Street. The \$775,000 cost will include grant reimbursement from MSBA's grant program and will determine the exact need and cost of one of the School Department's older facilities.

After many years of discussion, talks, and meetings, the Town passed both at Town Meeting and the Annual Town election the sum of \$2.5 million for financing the design and construction of a new DPW Facility to be located at 11 Fletcher Street. This will include renovating the current garage, demolition of 2 older buildings, and site work to bring the current location up to code. Passage of this was a giant step in the aging replacement of several Town buildings. One final significant passage at the Spring Town Meeting was the acceptance of the Meals Tax. After several failed attempts in previous years, Town Meeting gave it's support of this legislation. The Town will use the proceeds of the meal tax and toward the funding of OPEB, or Other Post-Employment Benefits. This marks a significant step in taking a dedicated revenue source and using it for a specific purpose. The funds that will be earmarked for this, estimated at about \$130,000 a fiscal year, will help fund this large obligation without using current revenues, thereby sparing precious levy for Town and School operations.

The Town continued funding for Compensated Absences, benefits owed to employees after they leave service with the Town. Thanks to the residents of the Town for their continued support of a capital exclusion, the Town will be able to purchase a new fire engine pumper for the Fire Department. They also voted for the repair and restoration of the World War I Monument in Rockdale Commons. The Town's Sewer and Water Enterprise Funds continue operating in a profitable manner. The total approved fiscal year 2017 budget for the Sewer Enterprise totaled \$2,170,000, a 3% decrease over FY'16 or \$72,656. The Water Enterprise 2017 operating budget is \$1,648,668, a .2% increase over FY'16 or \$3,663.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Northbridge's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant's Office, Town of Northbridge, 7 Main Street, Whitinsville, Massachusetts 01588.

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

|  | <u>Governmental</u><br><u>Activities</u> | <u>Business-type</u><br><u>Activities</u> | <u>Total</u>  |
|--|--|---|---------------|
| <b>ASSETS</b>  |  |   |               |
| <b>Current Assets:</b>                                   |  |   |               |
| Cash and cash equivalents                                | \$ 14,079,281                            | \$ 3,783,807                              | \$ 17,863,088 |
| Restricted cash and cash equivalents                     | 346,140                                  | -   | 346,140       |
| Investments  | 2,754,358                                | -   | 2,754,358     |
| Receivables, net of allowance for uncollectible accounts | 615,284                                  | 582,954                                   | 1,198,238     |
| Due from Other Governmental Agencies                     | 869,616                                  | 237,347                                   | 1,106,963     |
| Current portion of unapportioned betterments             | -  | 21,691                                    | 21,691        |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Current Assets                                     | 18,664,679                               | 4,625,799                                 | 23,290,478    |
| <b>Noncurrent Assets:</b>                                |  |   |               |
| Unapportioned betterments due after one year             | -  | 123,245                                   | 123,245       |
| Intergovernmental  | -  | 841,774                                   | 841,774       |
| Capital assets, net of accumulated depreciation          | 32,708,747                               | 13,287,478                                | 45,996,225    |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Noncurrent Assets                                  | 32,708,747                               | 14,252,497                                | 46,961,244    |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Assets   | 51,373,426                               | 18,878,296                                | 70,251,722    |
| <b>DEFERRED OUTLOWS OF RESOURCES</b>                     |  |   |               |
| Pension related  | 1,786,019                                | -   | 1,786,019     |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| <b>LIABILITIES</b>                                       |  |   |               |
| <b>Current Liabilities:</b>                              |  |   |               |
| Warrants payable and accrued expenses                    | 2,837,311                                | 231,356                                   | 3,068,667     |
| Notes payable  | -  | -   | -             |
| Performance bonds  | 898,005                                  | -   | 898,005       |
| Current portion of landfill postclosure care costs       | 13,300                                   | -   | 13,300        |
| Current portion of bonds payable                         | 247,108                                  | 798,900                                   | 1,046,008     |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Current Liabilities                                | 3,995,724                                | 1,030,256                                 | 5,025,980     |
| <b>Noncurrent Liabilities:</b>                           |  |   |               |
| Bonds payable, net of current portion                    | 1,628,603                                | 5,145,000                                 | 6,773,603     |
| Postclosure care costs, net of current portion           | 226,100                                  | -   | 226,100       |
| Other post employment benefits obligation                | 30,744,609                               | -   | 30,744,609    |
| Net pension liability                                    | 15,519,377                               | -   | 15,519,377    |
| Compensated absences, net of current portion             | 794,529                                  | 25,439                                    | 819,968       |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Noncurrent Liabilities                             | 48,913,218                               | 5,170,439                                 | 54,083,657    |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Liabilities  | 52,908,942                               | 6,200,695                                 | 59,109,637    |
| <b>NET POSITION</b>                                      |  |   |               |
| Net investment in capital assets                         | 30,833,036                               | 8,422,699                                 | 39,255,735    |
| Restricted for:  |  |   |               |
| Permanent funds:   |  |   |               |
| Nonexpendable  | 629,349                                  | -   | 629,349       |
| Other specific purposes                                  | 883,237                                  | -   | 883,237       |
| Unrestricted   | (32,095,119)                             | 4,254,902                                 | (27,840,217)  |
|  | <hr/>                                    | <hr/>                                     | <hr/>         |
| Total Net Position                                       | \$ 250,503                               | \$ 12,677,601                             | \$ 12,928,104 |

The accompanying notes are an integral part of the financial statements

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

| Functions/Programs   | Program Revenue |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                          |                |
|--|-----------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|
|  | Expenses        | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                              |                          |                |
|  |                 |                      |                                    |                                  | Governmental Activities                         | Business-type Activities | Total          |
| <b>Primary government</b>                                    |                 |                      |                                    |                                  |   |                          |                |
| Governmental Activities                                      |                 |                      |                                    |                                  |   |                          |                |
| General Government   | \$ 1,516,171    | \$ 180,950           | \$ 32,601                          | \$ -                             | \$ (1,302,620)                                  | \$ -                     | \$ (1,302,620) |
| Public Safety  | 4,773,095       | 1,112,512            | 771,541                            | -                                | (2,889,042)                                     | -                        | (2,889,042)    |
| Public Works   | 3,614,016       | 6,709                | 1,799,286                          | -                                | (1,808,021)                                     | -                        | (1,808,021)    |
| Health and Human Services                                    | 495,597         | 66,267               | 207,124                            | -                                | (222,206)                                       | -                        | (222,206)      |
| Culture and Recreation                                       | 308,732         | -                    | 164,910                            | -                                | (143,822)                                       | -                        | (143,822)      |
| Education  | 28,610,948      | 1,411,651            | 18,692,994                         | -                                | (8,506,303)                                     | -                        | (8,506,303)    |
| Employee Benefits  | 15,802,070      | 17,767               | 3,693,855                          | -                                | (12,090,448)                                    | -                        | (12,090,448)   |
| Insurance  | 319,125         | -                    | -                                  | -                                | (319,125)                                       | -                        | (319,125)      |
| State and County Charges                                     | 1,092,731       | -                    | -                                  | -                                | (1,092,731)                                     | -                        | (1,092,731)    |
| Capital Outlay   | -               | -                    | -                                  | -                                | -   | -                        | -              |
| Interest on Long-term Debt                                   | 87,921          | -                    | -                                  | 4,413                            | (83,508)  | -                        | (83,508)       |
| Total governmental activities                                | 56,620,406      | 2,795,856            | 25,362,311                         | 4,413                            | (28,457,826)                                    | -                        | (28,457,826)   |
| Business-type activities                                     |                 |                      |                                    |                                  |   |                          |                |
| Water Enterprise   | 1,396,344       | 1,583,220            | -                                  | -                                | -   | 186,876                  | 186,876        |
| Sewer Enterprise   | 1,903,122       | 2,049,936            | -                                  | -                                | -   | 146,814                  | 146,814        |
| Total business-type activities                               | 3,299,466       | 3,633,156            | -                                  | -                                | -   | 333,690                  | 333,690        |
| Total primary government                                     | \$ 59,919,872   | \$ 6,429,012         | \$ 25,362,311                      | \$ 4,413                         | (28,457,826)                                    | 333,690                  | (28,124,136)   |
| General revenues:  |                 |                      |                                    |                                  |   |                          |                |
| Property and excise taxes                                    |                 |                      |                                    |                                  | 22,479,373                                      | -                        | 22,479,373     |
| Investment earnings  |                 |                      |                                    |                                  | 362,055   | 36,258                   | 398,313        |
| Grants and contributions not restricted to specific programs |                 |                      |                                    |                                  | 2,017,521                                       | -                        | 2,017,521      |
| Transfers  |                 |                      |                                    |                                  | 274,658   | (274,658)                | -              |
| Total general revenues, special items, and transfers         |                 |                      |                                    |                                  | 25,133,607                                      | (238,400)                | 24,895,207     |
| Change in net position                                       |                 |                      |                                    |                                  | (3,324,219)                                     | 95,290                   | (3,228,929)    |
| Net position - beginning of year                             |                 |                      |                                    |                                  | 3,574,722                                       | 12,582,311               | 16,157,033     |
| Net position - end of year                                   |                 |                      |                                    |                                  | \$ 250,503                                      | \$ 12,677,601            | \$ 12,928,104  |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2016**

|   | <u>General Fund</u>  | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|--|---|
| <b>ASSETS</b>   |                      |  |   |
| Cash and cash equivalents   | \$ 7,612,087         | \$ 6,467,194                               | \$ 14,079,281                           |
| Investments   | 2,567,357            | 187,001                                    | 2,754,358                               |
| Taxes receivable, net of allowance for uncollectible accounts               | 434,673              | 25,733                                     | 460,406                                 |
| Receivable from other governments   | 11,924               | 142,954                                    | 154,878                                 |
| Other receivables   | -                    | 869,616                                    | 869,616                                 |
| Restricted cash and cash equivalents  | -                    | 346,140                                    | 346,140                                 |
|   | <hr/>                | <hr/>                                      | <hr/>                                   |
| Total assets  | <u>\$ 10,626,041</u> | <u>\$ 8,038,638</u>                        | <u>\$ 18,664,679</u>                    |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> |                      |  |   |
| Liabilities:  |                      |  |   |
| Warrants payable and accrued payroll  | \$ 2,479,599         | \$ 138,291                                 | \$ 2,617,890                            |
| Temporary loans   | -                    | -  | -                                       |
| Performance bonds   | -                    | 898,005                                    | 898,005                                 |
| Other   | 206,877              | 5,013                                      | 211,890                                 |
|   | <hr/>                | <hr/>                                      | <hr/>                                   |
| Total liabilities   | <u>2,686,476</u>     | <u>1,041,309</u>                           | <u>3,727,785</u>                        |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>                                    |                      |  |   |
| Unavailable revenue   | 204,575              | 895,349                                    | 1,099,924                               |
|   | <hr/>                | <hr/>                                      | <hr/>                                   |
| Fund balances:  |                      |  |   |
| Nonspendable  | -                    | -  | -                                       |
| Restricted  | -                    | 1,379,353                                  | 1,379,353                               |
| Committed   | 1,875,129            | 133,233                                    | 2,008,362                               |
| Assigned  | 2,552,099            | 4,589,394                                  | 7,141,493                               |
| Unassigned  | 3,307,762            | -  | 3,307,762                               |
|   | <hr/>                | <hr/>                                      | <hr/>                                   |
| Total fund balances   | <u>7,734,990</u>     | <u>6,101,980</u>                           | <u>13,836,970</u>                       |
| <br>Total liabilities, deferred inflows of resources<br>and fund balances   |                      |  |   |
|   | <u>\$ 10,626,041</u> | <u>\$ 8,038,638</u>                        | <u>\$ 18,664,679</u>                    |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

|  |                   |
|--|-------------------|
| Total governmental fund balances   | \$ 13,836,970     |
| Amounts reported for governmental activities in the Statement of Net Assets are different because:   |                   |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental fund financial statements, but are reported in the governmental activities of the Statement of Net Position. | 32,708,747        |
| Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.   | 1,786,019         |
| In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in Governmental Funds, interest is not reported until due.  | (7,531)           |
| Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.   | 1,099,924         |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds, but are included in the governmental activities of the Statement of Net Position.                              |                   |
| Bonds and Notes Payable  | (1,875,711)       |
| Postclosure Care Costs   | (239,400)         |
| Net OPEB Obligation  | (30,744,609)      |
| Net Pension Liability  | (15,519,377)      |
| Compensated Absences   | (794,529)         |
| Net Position of Governmental Activities in the Statement of Net Position   | \$ <u>250,503</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | <u>General Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|--|---|
| <b>REVENUES</b>                                   |                     |  |   |
| Taxes and assessments                             | \$ 22,354,260       | \$ -                                       | \$ 22,354,260                           |
| Intergovernmental                                 | 21,132,895          | 5,591,368                                  | 26,724,263                              |
| Licenses and permits                              | 491,041             | -  | 491,041                                 |
| Fees and fines                                    | 199,924             | 1,534,735                                  | 1,734,659                               |
| Charges for services                              | -                   | 1,212,347                                  | 1,212,347                               |
| Investment income                                 | 358,886             | 3,169                                      | 362,055                                 |
| Other   | 276,194             | 18,999                                     | 295,193                                 |
| Contributions and donations                       | -                   | 335,950                                    | 335,950                                 |
| Total revenues                                    | <u>44,813,200</u>   | <u>8,696,568</u>                           | <u>53,509,768</u>                       |
| <b>EXPENDITURES</b>                               |                     |  |   |
| General government                                | 1,385,108           | 11,231                                     | 1,396,339                               |
| Public safety                                     | 4,311,402           | 1,156,378                                  | 5,467,780                               |
| Education   | 23,414,173          | 3,990,928                                  | 27,405,101                              |
| Public works                                      | 1,749,050           | 1,999,511                                  | 3,748,561                               |
| Health and human services                         | 426,017             | 117,536                                    | 543,553                                 |
| Culture and recreation                            | 201,698             | 62,377                                     | 264,075                                 |
| Employee benefits                                 | 11,176,168          | -  | 11,176,168                              |
| Insurance   | 319,125             | -  | 319,125                                 |
| Debt Service:                                     |                     |  |   |
| Principal   | 612,108             | -  | 612,108                                 |
| Interest and other charges                        | 81,283              | -  | 81,283                                  |
| State and county charges                          | 1,092,731           | -  | 1,092,731                               |
| Capital outlay                                    | -                   | -  | -                                       |
| Total expenditures                                | <u>44,768,863</u>   | <u>7,337,961</u>                           | <u>52,106,824</u>                       |
| Excess (deficiency) of revenues over expenditures | <u>44,337</u>       | <u>1,358,607</u>                           | <u>1,402,944</u>                        |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |  |   |
| Proceeds from long-term debt, net                 | -                   | -  | -                                       |
| Transfers in                                      | 1,129,260           | 222,668                                    | 1,351,928                               |
| Transfers out                                     | (88,963)            | (988,307)                                  | (1,077,270)                             |
| Total other financing sources and uses            | <u>1,040,297</u>    | <u>(765,639)</u>                           | <u>274,658</u>                          |
| Net change in fund balances                       | 1,084,634           | 592,968                                    | 1,677,602                               |
| Fund balances - beginning of year                 | <u>6,650,356</u>    | <u>5,509,012</u>                           | <u>12,159,368</u>                       |
| Fund balances - end of year                       | <u>\$ 7,734,990</u> | <u>\$ 6,101,980</u>                        | <u>\$ 13,836,970</u>                    |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds: \$ 1,677,602

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays (\$1,450,143) exceeded depreciation (\$1,957,732) in the current period. (507,589)  
 Loss on disposal of capital assets (29,427)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:

Net change in deferred revenue (463,225)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such payments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments. 612,108

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds (2,225)  
 Accrued compensated absences not reflected on Governmental funds 1,139  
 Landfill postclosure costs not reflected on Governmental funds 13,300  
 Other post employment benefits obligation (4,153,996)  
 Net pension liability (471,906)

Change in net position of governmental activities \$ (3,324,219)

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | <u>Budgeted Amounts</u> |               | <u>Actual Amounts,</u><br><u>Budgetary Basis</u> | <u>Variance with</u><br><u>Final Budget -</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|-------------------------|---------------|--|---|
|   | <u>Original</u>         | <u>Final</u>  |  |   |
| <b>REVENUES</b>                                   |                         |               |  |   |
| Taxes and assessments                             | \$ 21,270,640           | \$ 21,588,640 | \$ 22,369,916                                    | \$ 781,276  |
| Intergovernmental                                 | 17,435,408              | 17,435,408    | 17,439,040                                       | 3,632   |
| Licenses and permits                              | 330,000                 | 330,000       | 491,041  | 161,041   |
| Fees and fines                                    | 79,000                  | 79,000        | 199,924  | 120,924   |
| Departmental and other revenue                    | 150,000                 | 150,000       | 276,194  | 126,194   |
| Investment earnings                               | 250,000                 | 250,000       | 326,254  | 76,254  |
| Total revenues                                    | 39,515,048              | 39,833,048    | 41,102,369                                       | 1,269,321   |
| <b>EXPENDITURES</b>                               |                         |               |  |   |
| General government                                | 1,484,940               | 1,642,706     | 1,537,536  | 105,170   |
| Public safety                                     | 4,670,422               | 4,744,251     | 4,651,821  | 92,430  |
| Education   | 23,262,707              | 23,459,194    | 23,414,173                                       | 45,021  |
| Public works                                      | 1,658,251               | 1,658,251     | 1,887,686  | (229,435)   |
| Health and human services                         | 502,556                 | 472,035       | 428,802  | 43,233  |
| Culture and recreation                            | 206,093                 | 216,093       | 215,243  | 850   |
| Debt principal                                    | 252,108                 | 252,108       | 252,108  | -   |
| Debt interest                                     | 185,662                 | 102,175       | 86,283   | 15,892  |
| Employee benefits                                 | 8,305,982               | 8,256,501     | 7,501,011  | 755,490   |
| Insurance   | 391,400                 | 366,400       | 319,125  | 47,275  |
| State and county charges                          | 908,494                 | 908,494       | 1,092,731  | (184,237)   |
| Claims and judgements                             | -                       | -             | -  | -   |
| Total Expenditures                                | 41,828,615              | 42,078,208    | 41,386,519                                       | 691,689   |
| Excess (deficiency) of revenues over expenditures | (2,313,567)             | (2,245,160)   | (284,150)  | 1,961,010   |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                         |               |  |   |
| Transfers in                                      | 1,239,547               | 1,279,260     | 1,279,260  | -   |
| Transfers out                                     | -                       | (174,750)     | (213,963)  | (39,213)  |
| Total other financing sources and uses            | 1,239,547               | 1,104,510     | 1,065,297  | (39,213)  |
| Net change in fund balances                       | (1,074,020)             | (1,140,650)   | 781,147  | 1,921,797   |
| Fund balances - beginning of year                 | 3,548,611               | 3,548,611     | 3,548,611  | -   |
| Fund balances - end of year                       | \$ 2,474,591            | \$ 2,407,961  | \$ 4,329,758                                     | \$ 1,921,797  |

The accompanying notes are an integral part of the financial statements



**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

|   | <b>Business-Type Activities - Enterprise Funds</b> |                                  |                      |
|---|--|----------------------------------|----------------------|
|   | <b>Water Enterprise<br/>Fund</b>                   | <b>Sewer Enterprise<br/>Fund</b> | <b>Total</b>         |
| <b>ASSETS</b>                                   |  |                                  |                      |
| Current assets:                                 |  |                                  |                      |
| Cash and cash equivalents                       | \$ 1,914,993                                       | \$ 1,868,814                     | \$ 3,783,807         |
| User fees receivable, net                       | 194,019  | 388,935                          | 582,954              |
| Current portion of unapportioned betterments    | -  | 21,691                           | 21,691               |
| Intergovernmental                               | -  | 237,347                          | 237,347              |
| Total current assets                            | <u>2,109,012</u>                                   | <u>2,516,787</u>                 | <u>4,625,799</u>     |
| Non-current assets:                             |  |                                  |                      |
| Unapportioned betterments due after one year    | -  | 123,245                          | 123,245              |
| Intergovernmental                               | -  | 841,774                          | 841,774              |
| Capital assets, net of accumulated depreciation | <u>2,301,691</u>                                   | <u>10,985,787</u>                | <u>13,287,478</u>    |
| Total noncurrent assets                         | <u>2,301,691</u>                                   | <u>11,950,806</u>                | <u>14,252,497</u>    |
| Total assets                                    | <u>4,410,703</u>                                   | <u>14,467,593</u>                | <u>18,878,296</u>    |
| <b>LIABILITIES</b>                              |  |                                  |                      |
| Current Liabilities:                            |  |                                  |                      |
| Warrants payable                                | 40,081   | 110,001                          | 150,082              |
| Accrued interest                                | 5,091  | 76,183                           | 81,274               |
| Notes payable                                   | -  | -                                | -                    |
| Current portion of bonds payable                | <u>35,000</u>                                      | <u>763,900</u>                   | <u>798,900</u>       |
| Total current liabilities                       | <u>80,172</u>                                      | <u>950,084</u>                   | <u>1,030,256</u>     |
| Non-current liabilities:                        |  |                                  |                      |
| Compensated absences                            | -  | 25,439                           | 25,439               |
| Bonds payable, net of current portion           | <u>440,000</u>                                     | <u>4,705,000</u>                 | <u>5,145,000</u>     |
| Total noncurrent liabilities                    | <u>440,000</u>                                     | <u>4,730,439</u>                 | <u>5,170,439</u>     |
| Total liabilities                               | <u>520,172</u>                                     | <u>5,680,523</u>                 | <u>6,200,695</u>     |
| <b>NET POSITION</b>                             |  |                                  |                      |
| Net Investment in capital assets                | 1,826,691  | 6,596,008                        | 8,422,699            |
| Unrestricted                                    | <u>2,063,840</u>                                   | <u>2,191,062</u>                 | <u>4,254,902</u>     |
| Total net position                              | <u>\$ 3,890,531</u>                                | <u>\$ 8,787,070</u>              | <u>\$ 12,677,601</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <b>Business-Type Activities - Enterprise Funds</b> |                                  |               |
|--|--|----------------------------------|---------------|
|  | <b>Water Enterprise<br/>Fund</b>                   | <b>Sewer Enterprise<br/>Fund</b> | <b>Total</b>  |
| <b>OPERATING REVENUES</b>                        |  |                                  |               |
| Charges for services                             | \$ 1,542,598                                       | \$ 1,894,660                     | \$ 3,437,258  |
| Other  | 40,622   | 155,276                          | 195,898       |
| Total operating revenues                         | 1,583,220  | 2,049,936                        | 3,633,156     |
| <b>OPERATING EXPENSES</b>                        |  |                                  |               |
| Personal services                                | 21,204   | 374,090                          | 395,294       |
| Capital outlay                                   | -  | 4,876                            | 4,876         |
| Other supplies and expenses                      | 1,307,549  | 899,470                          | 2,207,019     |
| Depreciation                                     | 53,131   | 373,969                          | 427,100       |
| Employee benefits                                | -  | -                                | -             |
| Total Operating Expenses                         | 1,381,884  | 1,652,405                        | 3,034,289     |
| Operating income (loss)                          | 201,336  | 397,531                          | 598,867       |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>         |  |                                  |               |
| Interest and investment revenue                  | 9,201  | 27,057                           | 36,258        |
| Operating grants and contributions               | -  | -                                | -             |
| Interest expense                                 | (14,460)   | (250,717)                        | (265,177)     |
| Total non-operating revenue (expenses)           | (5,259)  | (223,660)                        | (228,919)     |
| Income (loss) before contributions and transfers | 196,077  | 173,871                          | 369,948       |
| Transfers in                                     | -  | 8,054                            | 8,054         |
| Transfers out                                    | (39,152)   | (243,560)                        | (282,712)     |
| Change in net position                           | 156,925  | (61,635)                         | 95,290        |
| Net position - beginning of year                 | 3,733,606  | 8,848,705                        | 12,582,311    |
| Net position - end of year                       | \$ 3,890,531                                       | \$ 8,787,070                     | \$ 12,677,601 |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | Business-Type Activities - Enterprise Funds |                       |              |
|---|---|-----------------------|--------------|
|   | Water Enterprise Fund                       | Sewer Enterprise Fund | Total        |
| <b>Cash Flows from Operating Activities:</b>  |   |                       |              |
| Receipts from customers and users   | \$ 1,604,995                                | \$ 2,122,309          | \$ 3,727,304 |
| Payments to vendors   | (1,347,851)                                 | (896,507)             | (2,244,358)  |
| Payments to employees   | (21,204)                                    | (376,780)             | (397,984)    |
| Net cash from operating activities  | 235,940                                     | 849,022               | 1,084,962    |
| <b>Cash Flows from Noncapital Financing Activities:</b>   |   |                       |              |
| Net transfers in (out)  | (39,152)                                    | (235,506)             | (274,658)    |
| Net cash from noncapital financing activities   | (39,152)                                    | (235,506)             | (274,658)    |
| <b>Cash Flows from Capital and Related Financing Activities:</b>  |   |                       |              |
| Proceeds from issuance of bonds and notes   | -   | -                     | -            |
| Acquisition and construction of capital assets  | (312,705)                                   | (349,742)             | (662,447)    |
| Principal payments on bonds and notes   | (35,000)                                    | (608,294)             | (643,294)    |
| Operating grants  | -   | -                     | -            |
| Interest expense  | (9,983)                                     | (122,973)             | (132,956)    |
| Net cash from capital and related financing activities  | (357,688)                                   | (1,081,009)           | (1,438,697)  |
| <b>Cash Flows from Investing Activities:</b>  |   |                       |              |
| Investment income   | 9,201                                       | 27,057                | 36,258       |
| Net cash from investing activities  | 9,201                                       | 27,057                | 36,258       |
| Net Change in Cash and Cash Equivalents   | (151,699)                                   | (440,436)             | (592,135)    |
| Cash and cash equivalents, beginning of year  | 2,066,692                                   | 2,309,250             | 4,375,942    |
| Cash and cash equivalents, end of year  | \$ 1,914,993                                | \$ 1,868,814          | \$ 3,783,807 |
| <b>Reconciliation of Operating income(loss) to Net Cash Provided by (used for) Operating Activities:</b>  |   |                       |              |
| Operating income  | \$ 201,336                                  | \$ 397,531            | \$ 598,867   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |   |                       |              |
| Depreciation  | 53,131                                      | 373,969               | 427,100      |
| Changes in assets and liabilities:  |   |                       |              |
| User fees receivable  | 21,775                                      | 72,373                | 94,148       |
| Other assets  | -   | -                     | -            |
| Warrants payable and accrued expenses   | (40,302)                                    | 5,149                 | (35,153)     |
| Net Cash Provided by (used for) Operating Activities  | \$ 235,940                                  | \$ 849,022            | \$ 1,084,962 |
| <b>Non-Cash Investing, Capital and Financing Activities:</b>  |   |                       |              |
| Intergovernmental debt subsidies (MWPAT)  | \$ -  | \$ 261,836            | \$ 261,836   |

The accompanying notes are an integral part of the financial statements

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30,2016

|   | <u>Pension Trust Fund</u><br><u>(As of December 31,</u><br><u>2015)</u> | <u>Private Purpose</u><br><u>Trust Fund</u> | <u>Agency Fund</u> |
|---|---|---|--------------------|
| <b>ASSETS</b>   |   |   |                    |
| Cash and cash equivalents                             | \$ 133,757  | \$ 20,130                                   | \$ 177,517         |
| Investments   | 28,906,437  | -   | -                  |
| Other   | 23,286  | -   | -                  |
|   | <hr/>   | <hr/>                                       | <hr/>              |
| Total assets  | 29,063,480  | 20,130                                      | 177,517            |
|   | <hr/>   | <hr/>                                       | <hr/>              |
| <b>LIABILITIES</b>                                    |   |   |                    |
| Warrants payable                                      | 157   | -   | -                  |
| Due to student groups                                 | -   | -   | 177,517            |
|   | <hr/>   | <hr/>                                       | <hr/>              |
| Total liabilities                                     | 157   | -   | 177,517            |
|   | <hr/>   | <hr/>                                       | <hr/>              |
| <b>NET POSITION</b>                                   |   |   |                    |
|   | <hr/>   | <hr/>                                       | <hr/>              |
| Held in trust for pension benefits and other purposes | \$ 29,063,323   | \$ 20,130                                   | \$ -               |
|   | <hr/>   | <hr/>                                       | <hr/>              |

The accompanying notes are an integral part of the financial statements

**TOWN OF NORTHBRIDGE, MASSACHUSETTS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | <u>Pension Trust Fund</u><br><u>(As of December 31,</u><br><u>2015)</u> | <u>Private Purpose</u><br><u>Trust Fund</u> |
|---|---|---|
| <b>ADDITIONS</b>  |   |   |
| Contributions:  |   |   |
| Employer  | \$ 1,471,377  | \$ -  |
| Employee  | 658,066   | -   |
| Other   | -   | 23,200                                      |
|   | <hr/>   | <hr/>                                       |
| Total contributions   | 2,129,443   | 23,200                                      |
|   | <hr/>   | <hr/>                                       |
| Net investment income:                                      |   |   |
| Net appreciation(depreciation) in fair value of investments | (440,257)   | -   |
| Interest  | 760,618   | 55  |
|   | <hr/>   | <hr/>                                       |
| Total investment income                                     | 320,361   | 55  |
| Less investment expenses                                    | (149,719)   | -   |
|   | <hr/>   | <hr/>                                       |
| Net investment income                                       | 170,642   | 55  |
|   | <hr/>   | <hr/>                                       |
| Intergovernmental   | 25,660  | -   |
|   | <hr/>   | <hr/>                                       |
| Transfers from other systems                                | 257,143   | -   |
|   | <hr/>   | <hr/>                                       |
| Total additions   | 2,582,888   | 23,255                                      |
|   | <hr/>   | <hr/>                                       |
| <b>DEDUCTIONS</b>   |   |   |
| Administration  | 103,840   | -   |
| Retirement benefits and refunds                             | 2,220,711   | -   |
| Transfers and reimbursements to other systems               | 174,403   | -   |
| Other   | -   | 11,320                                      |
|   | <hr/>   | <hr/>                                       |
| Total deductions  | 2,498,954   | 11,320                                      |
|   | <hr/>   | <hr/>                                       |
| Change in net position                                      | 83,934  | 11,935                                      |
| Net position - beginning of year                            | 28,979,389  | 8,195                                       |
|   | <hr/>   | <hr/>                                       |
| Net position - end of year                                  | \$ 29,063,323   | \$ 20,130                                   |
|   | <hr/>   | <hr/>                                       |

The accompanying notes are an integral part of the financial statements

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
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# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS

### 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. General Statement

The Town of Northbridge, Massachusetts (the "Town") was incorporated in 1771. The Town has an Open Town Meeting form of government and an executive five member Board of Selectmen. The Town Manager is responsible for the day-to-day administration of the Town under the direction of the Board of Selectmen.

The Town provides general governmental services, including Public Safety - Police and Fire Protection, Highways and Streets, Sanitation, Health and Social Services, Recreation and Cultural, Public Education for grades K through 12, and General Administrative Services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable).

#### B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- \* The organization is legally separate (can sue and be sued in their own name)
- \* The Town holds the corporate powers of the organization
- \* The Town appoints a voting majority of the organization's board
- \* The Town is able to impose its will on the organization
- \* The organization has the potential to impose a financial benefit/burden on the Town
- \* There is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Northbridge has no component units.

#### Blended Component Units

Blended component units are entities that are legally separate from the Town but are so related that they are, in substance, the same as the Town or entities providing services entirely or almost entirely for the benefit of the Town. The Town has included the Northbridge Contributory Retirement System as a blended component unit in the reporting entity because of the significance of their operation and financial relationships with the Town.

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### *Northbridge Contributory Retirement System*

The Northbridge Contributory Retirement System (System) was established to provide retirement benefits to Town employees, the Northbridge Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of the Town Accountant (ex-officio), two members elected by the System's participants, one member appointed by the Board of Selectmen and one member appointed by the Retirement Board's members. The System is presented using the accrual basis of accounting with a fiscal year ended December 31 and is reported as a pension trust fund in the fiduciary funds financial statements.

### Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participant retains an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in one joint venture with other municipalities to pool resources and share the costs, risks and rewards or providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients. The following table identifies the Town's joint venture and related information:

| <u>Name</u>  | <u>Purpose</u>   | <u>Address</u>                        | <u>Fiscal 2016<br/>Assessment</u> |
|--|--|---------------------------------------|-----------------------------------|
| Blackstone Valley Vocational<br>Regional School District | To provide grades 9-12<br>vocational and technical<br>educational services | 65 Pleasant Street<br>Upton, MA 01702 | \$ 1,235,717                      |

The Blackstone Valley Vocational Regional School District (the District) is governed by a thirteen (13) member school committee consisting of one elected representative from the Towns of Bellingham, Blackstone, Douglas, Grafton, Hopedale, Mendon, Milford, Millbury, Millville, Northbridge, Sutton, Upton and Uxbridge. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an approximately 15.8% equity interest in the joint venture.

### C. Basis of Presentation

#### **Government-Wide Financial Statements:**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Town. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.



## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **Fund Financial Statements:**

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental activities typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Town has presented the following major governmental funds:

General Fund - This fund is the main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvements costs that are not paid through other funds are paid from the General Fund. The general fund is always considered a major fund.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the **nonmajor governmental funds** column on the governmental funds financial statements. The following describes the general use of these fund types:

Special Revenue Fund – This fund is used to account for the proceeds of specific revenue sources (other than capital projects or permanent funds) that are restricted by law or administrative action to expenditures for specified purposes.

Capital Projects Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

Permanent Funds – This fund is used to account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support government programs.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

#### *Proprietary fund financial Statements:*

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The following major proprietary funds are reported:

- The Water Enterprise Fund is used to account for water activities.
- The Sewer Enterprise Fund is used to account for sewer activities.

#### *Fiduciary Fund Financial Statements:*

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs. The following fiduciary funds are reported:

Private-Purpose Trust Funds – This fund is used to account for resources legally held in trust for student scholarships.

Agency Funds – This fund is used to account for assets held by the Town as an agent for individuals, private organizations, and/or other governmental units. The Town reports Student Activity Funds in the Agency Fund.

Pension Trust Funds – This fund is used to account for the activities of the Northbridge Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

#### D. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

#### E. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Massachusetts General Laws).

Enabling legislation authorizes the Town to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Town can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Town Meeting. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classifications may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts by Town meeting, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Town Meeting, Board of Selectmen or ordinance.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The Town applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### F. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Government Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement costs, landfill post closure care costs, claims and judgments are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenue is recognized when received.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

#### G. Budgetary Control

The Town follows the following procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to the Annual Town Meeting, the Town Manager submits a proposed operating budget to the Finance Committee for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. At the Annual Town Meeting, the Finance Committee makes the recommendation to the voters of their concurrence or non- concurrence with the articles. The voters at the Annual Town Meeting then vote to accept or reject the proposed budget articles.
- c. On July 1, the budget is legally enacted.
- e. The Board of Assessors will submit to the Commonwealth of Massachusetts Department of Revenue the Town's Tax Recapitulatory Sheet. The sheet denotes the appropriations passed by the Town voters, sources of estimated revenues and the proposed tax revenues to be raised.

The Commonwealth's Department of Revenue will then certify the tax rate to be used in the assessment of taxes to the local property owners (real and personal).

- e. If a need arises, the Town will convene a special town meeting to act on the recommendations of the Finance Committee for additional appropriations.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2016 approved budget for the general fund was \$41,171,017 in appropriations and carryforwards. During fiscal year 2016, there were supplemental changes in appropriations in the amount of \$424,343.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and continuing appropriations, which are adjusted to the actual results for comparison. Deficits, if any, are raised in the subsequent year's budget process.

#### H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### I. Inventories of Supplies

Supplies are considered to be expenditures at the time of purchase and are not included in the statement of net assets as inventories.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

#### J. Cash and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity and month end.

An individual fund's pooled Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less is also considered being "cash equivalents".

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

#### K. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

#### L. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. For Governmental Funds, vested or accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liabilities.

#### M. Encumbrances and Continuing Appropriations

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures are recorded in order to reserve portions of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year-end.

#### N. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

#### O. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government -wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$18,000 or more and over one year of useful life. Infrastructure assets capitalized have an original cost of \$18,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

|                                      |               |
|--------------------------------------|---------------|
| Buildings                            | 40 Years      |
| Infrastructure                       | 20 - 80 Years |
| Machinery and Equipment and vehicles | 7-10 Years    |
| Improvements other than buildings    | 20 Years      |

#### P. Claims and Judgments

Estimated losses from judgments and claims are recorded in the Government-Wide financial statements as a liability and as an expense if the loss is probable and amounts can be reasonably estimated.

#### Q. Reconciliation of Government-Wide and Fund Financial Statements

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total net position for governmental activities as shown on the government-wide statement of net position is presented in an accompanying schedule to the governmental funds balance sheet. The asset and liability elements, which comprise the reconciliation difference, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

#### R. Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Real estate taxes deemed not lienable
- Motor vehicle and other excise taxes
- Departmental and other

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts is not reported:

- Real estate taxes and tax liens
- Water and sewer
- Special assessments

Intergovernmental receivables are considered 100% collectible.

#### **2 - PROPERTY TAXES**

Real and personal property taxes are levied and based on values assessed as of each January 1 and are normally due on the subsequent August 1, November 1, February 1 and May 1. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting as previously described.

A statewide tax limitation statute known as "Proposition 2-1/2" limits the property tax levy to an amount equal to 2-1/2% of the value of all taxable property in the Town. A secondary limitation is that the levy in a fiscal year may not exceed the preceding year's allowable tax levy by more than 2-1/2%, plus taxes levied on certain property newly added to the tax rolls. Certain Proposition 2-1/2 taxing limitations can be overridden by a town-wide referendum vote.

The Town must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 and also constitute that amount which will equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for the prior fiscal year's deficits, if any, less (c) the aggregate of all non-property tax revenues projected to be received by the Town, including available funds.

#### **3 - DEFERRED COMPENSATION PLAN**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.



# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 4 - BUDGETARY BASIS OF ACCOUNTING

The Town of Northbridge prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Town's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund to provide meaningful comparison of actual results with budget. The major differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

Adjustments necessary to convert the General Fund's excess of revenues over expenditures on the budget basis to a GAAP basis are provided below:

|  |                    |
|--|--------------------|
| Excess of revenues over expenditures – budget basis                | \$ (284,150)       |
| Adjustments of property tax revenue to a modified accrual basis    | (15,656)           |
| End of year adjustment for encumbrances recognized as expenditures | 666,511            |
| Record stabilization fund activity in general fund per GASB 54     | 32,632             |
| Refunded debt principle payment recognized as expenditure          | (355,000)          |
| Record revenue recognized for MTRS on-behalf payments              | 3,693,855          |
| Record expenditures recognized for MTRS on-behalf payments         | <u>(3,693,855)</u> |
| Excess of revenues over expenditures – GAAP basis                  | <u>\$ 44,337</u>   |

### 5 - DEPOSITS AND INVESTMENTS

#### **Town (excluding the Pension Trust Fund):**

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization or insurance protection by the financial institutions involved. Investments can be made in securities unconditionally guaranteed by the U.S. Government with maturities of 90 days or less which are collateralized by such securities. The Town also has the authority to purchase units in the Massachusetts Municipal Depository Trust (MMDT), a pooled fund managed for the Commonwealth.

The Town has expanded investment powers, including the ability to invest in equity securities, corporate bonds and other specified investments in relation to the Town's restricted investments in the Permanent Funds.

The composition of the Town's deposits and investments fluctuates throughout the year depending on the timing of property tax receipts, water and sewer revenues, proceeds from borrowings, collections of state and federal aid, and capital outlays.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The Town maintains a cash and investment pool that is available for use by all funds with unrestricted cash and investments. The deposits and investments in the pension trust fund are held separately from other Town funds.

#### Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. The Town does not have a policy for custodial credit risk of deposits. As of June 30, 2016, \$4,384,587 of the Town's bank balance of \$19,774,195 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

#### Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The brokerage account carries SPIC coverage that protects up to an aggregate loss limit of \$1 billion. The Town does not have a policy for custodial credit risk of investments.

#### Interest Rate Risk of Debt Securities – Investments

Interest rate risk of debt securities for investments is the risk that change in interest rates of debt securities will adversely affect the fair value of an investment. The Town does not have a policy for interest rate risk of debt securities.

#### Credit Risk of Debt Securities – Investments

Credit risk of debt securities for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligation. The Town does not have a policy for credit risk of debt securities.

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Investment Summary

The Town's investments at June 30, 2016, are presented below. All investments are presented by investment type, with debt securities presented by maturity.

| <u>Investment Type</u>    | <u>Fair Value</u>   | <u>Investment Maturities (in years)</u> |            |             |
|---------------------------|---------------------|---|------------|-------------|
|                           |                     | <u>Less Than 1</u>                      | <u>1-5</u> | <u>6-10</u> |
| <b>Debt Securities:</b>   |                     |   |            |             |
| U.S. Agencies             | \$ 361,085          | \$ -                                    | \$ 361,085 | \$ -        |
| <b>Other Investments:</b> |                     |   |            |             |
| Corporate Bonds           | 115,998             |   |            |             |
| Corporate Stocks          | 92,724              |   |            |             |
| Bond Mutual Funds         | 42,085              |   |            |             |
| Money Market Funds        | 515,195             |   |            |             |
| Certificates of Deposit   | <u>1,627,271</u>    |   |            |             |
|                           | <u>\$ 2,754,358</u> |   |            |             |

As of June 30, 2016, the credit quality ratings of the Town's investments are as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Quality Rating</u> |           |             |             |
|------------------------|-------------------|-----------------------|-----------|-------------|-------------|
|                        |                   | <u>Aaa</u>            | <u>A1</u> | <u>Baa1</u> | <u>Baa2</u> |
| U.S. Agencies          | \$ 361,085        | \$ 361,085            | \$ -      | \$ -        | \$ -        |
| Corporate Bonds        | 115,998           | -                     | 15,150    | 81,045      | 19,803      |

### **Pension Trust Fund:**

The Northbridge Contributory Retirement System (NCRS) has expanded investment powers over the Town, including the ability to invest in equity securities, corporate bonds and other specified investments.

### Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the NCRS's deposits may not be recovered. The NCRS does not have a policy for custodial credit risk of deposits. As of December 31, 2015, the NCRS's bank balance of \$133,575 was fully insured.

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

Investment Summary

The NCRS's investments at December 31, 2015 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

| <u>Investment Maturities (in years)</u> |                   |                    |            |             |
|---|-------------------|--------------------|------------|-------------|
| <u>Investment Type</u>                  | <u>Fair Value</u> | <u>Less Than 1</u> | <u>1-5</u> | <u>6-10</u> |
| <b>Debt Securities:</b>                 |                   |                    |            |             |
| Bond mutual funds                       | \$ 3,772,290      | \$ 3,772,290       | \$ -       | \$ -        |
|   |                   |                    |            |             |
| <b>Other Investments:</b>               |                   |                    |            |             |
| International Equity Securities         | 4,931,438         |                    |            |             |
| Equity Securities                       | 5,480,660         |                    |            |             |
| Equity Mutual Funds                     | 3,301,115         |                    |            |             |
| Real Estate Investments                 | 3,032,285         |                    |            |             |
| Timber                                  | 927,897           |                    |            |             |
| Alternative Investments                 | <u>7,460,752</u>  |                    |            |             |
|   | \$28,906,437      |                    |            |             |

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the NCRS will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The NCRS does not have a policy for custodial credit risk of investments.

As of December 31, 2015, the NCRS's investments of \$28,906,437 were uninsured, not registered in the name of the NCRS and exposed to custodial credit risk as follows:

| <u>Investment Type</u>    | <u>Held by Counterparty</u> | <u>Held by Counterparty's Trust or Agent</u> | <u>Fair Value</u> |
|---------------------------|-----------------------------|--|-------------------|
| Bond Mutual Funds         | \$ -                        | \$ 3,772,290                                 | \$ 3,772,290      |
| International Equity Fund | 4,931,438                   | -  | 4,931,438         |
| Equity Securities         | 5,480,660                   | -  | 5,480,660         |
| Equity Mutual Funds       | -                           | 3,301,115                                    | 3,301,115         |
| Real Estate Investments   | 3,032,285                   | -  | 3,032,285         |
| Timber                    | 927,897                     | -  | 927,897           |
| Alternative Investments   | <u>7,460,752</u>            | <u>-</u>                                     | <u>7,460,752</u>  |
|                           | \$21,833,032                | \$ 7,073,405                                 | \$28,906,437      |

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Risks are minimized by the Northbridge Contributory Retirement System investing its funds in the State managed PRIT external investment pool.

#### Interest Rate Risk of Debt Securities – Investments

Interest rate risk of debt securities for investments is the risk that change in interest rates of debt securities will adversely affect the fair value of an investment. The NCRS does not have a policy for interest rate risk of debt securities.

#### Credit Risk of Debt Securities – Investments

Credit risk of debt securities for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligation. The NCRS does not have a policy for credit risk of debt securities.

As of December 31, 2015, the credit quality ratings of the NCRS's debt securities are as follows:

| <u>Investment Type</u> | <u>Fair<br/>Value</u> | <u>Quality Rating<br/>Unrated</u> |
|------------------------|-----------------------|-----------------------------------|
| Bond Mutual Funds      | \$ 3,772,290          | \$ 3,772,290                      |

## 6 - PENSION PLANS

### Northbridge Contributory Retirement System

#### **Plan Description and Provisions**

The Town provides pension benefits for substantially all employees except School Department employees and certain school administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute, through the Northbridge Contributory Retirement System (NCRS), a cost sharing multiple-employer defined benefit pension plan established under the Massachusetts Contributory Retirement Law and administered by the NCRS Board. The system also covers eligible employees of the Northbridge Housing Authority.

Membership in the System is mandatory immediately upon commencement of employment for all permanent employees working a minimum of 20 hours per week.

NCRS benefits are, with certain exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year annual rate of compensation for those hired prior to April 2, 2012 and the highest five-year average for members hired after that date. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

Active members contribute between 5 and 11% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences. Cost-of-living adjustments granted after 1997 must be approved by the System and all costs are borne by the System. Administrative expenses are paid from investment income.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the members' age, years of creditable service, level of compensation, veterans' status and group classification.

Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

At January 1, 2014, the System's membership consisted of the following:

|   |              |
|---|--------------|
| Active Members  | 204          |
| Inactive Members  | 52           |
| Retirees and Beneficiaries Currently Receiving Benefits | <u>110</u>   |
|   | 366          |
|   | <u>=====</u> |

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the Town reported a liability of \$15,519,377 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2015, the Town's proportion was 99.37 percent.

For the year ended June 30, 2016, the Town recognized pension expense of \$1,934,798.

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Net differences between expected and actual earnings on pension plan investments                          | \$ 1,784,898                      | \$ -                             |
| Differences between expected and actual experience  | -                                 | -                                |
| Changes in assumptions  | -                                 | -                                |
| Changes in proportion and differences between Town contributions and proportionate share of contributions | 1,121                             | -                                |

**Actuarial assumptions.** The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014:

|                           |       |
|---------------------------|-------|
| Inflation rate            | 3.00% |
| Salary increases          | 2.00% |
| Investment rate of return | 8.00% |

Mortality rates were based on the RP-2000 Employee Mortality Table with Scale BB.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

| Asset Class              | Long-Term Expected<br>Asset Allocation | Long-Term Expected<br>Real Rate of Return |
|--------------------------|--|---|
| Core fixed income        | 13.00%                                 | 0.70%                                     |
| Value added fixed income | 10.00%                                 | 3.75%                                     |
| Large cap equities       | 14.50%                                 | 4.37%                                     |
| Mid/small cap equities   | 3.50%                                  | 4.61%                                     |
| International equities   | 16.00%                                 | 5.85%                                     |
| Emerging market equities | 6.00%                                  | 6.31%                                     |
| Private equity           | 10.00%                                 | 6.31%                                     |
| Real estate              | 10.00%                                 | 3.40%                                     |
| Timber/natural resources | 4.00%                                  | 3.95%                                     |
| Hedge funds              | 9.00%                                  | 3.40%                                     |
| Portfolio completion     | 4.00%                                  | 3.09%                                     |
| Total                    | 100.00%                                |   |

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

**Discount rate:** The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Town's proportionate share of the net pension liability:** The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.0%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1 percentage-point higher (9.0%) than the current rate:

| Fiscal Year<br>Ended | 1% Decrease<br>(7.0%) | Current<br>Discount Rate<br>(8.0%) | 1% Increase<br>(9.0%) |
|----------------------|-----------------------|------------------------------------|-----------------------|
| June 30, 2016        | \$ 20,699,280         | \$ 15,519,377                      | \$ 11,453,713         |

The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 8.0%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1 percentage-point higher (9.0%) than the current rate:

| Fiscal Year<br>Ended | 1% Decrease<br>(7.0%) | Current<br>Discount Rate<br>(8.0%) | 1% Increase<br>(9.0%) |
|----------------------|-----------------------|------------------------------------|-----------------------|
| June 30, 2016        | \$ 20,830,512         | \$ 15,617,769                      | \$ 11,526,329         |

### Massachusetts Teachers' Retirement System, a Noncontributing Employer Plan

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members-two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.



TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

**Benefits provided.** MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for MTRS vary depending on the most recent date of membership:

| <u>Hire Date</u>         | <u>% of Compensation</u>                                       |
|--------------------------|--|
| Prior to 1975.....       | 5% of regular compensation                                     |
| 1975 – 1983.....         | 7% of regular compensation                                     |
| 1984 to 6/30/1996.....   | 8% of regular compensation                                     |
| 7/1/1996 to present..... | 9% of regular compensation                                     |
| 7/1/2001 to present..... | 11% of regular compensation                                    |
| 1979 to present.....     | An additional 2% of regular compensation in excess of \$30,000 |

**Special funding situation.** The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer. Payments made by the Commonwealth of Massachusetts on behalf of the Town amounted to \$3,693,855 in fiscal 2016 and are reflected as revenues and corresponding expenditures in the Town's financial statements.

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

**Actuarial assumptions.** The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015. This valuation used the following assumptions:

1. (a) 7.5% investment rate of return, (b) 3.5% interest rate credited to the annuity savings fund and (c) 3% cost of living increase per year.
2. Salary increases are based on analysis of past experience but range from 4.0% to 7.5% depending on length of service.
3. Mortality rates were as follows:
  - Pre-retirement – reflects RP-2014 Employees table projected generationally with Scale BB and a base year of 2014 (gender distinct).
  - Post-retirement – reflects RP-2014 Healthy Annuitant table projected generationally with Scale BB and a base year of 2014 (gender distinct).
  - Disability – assumed to be in accordance with RP-2014 Healthy Annuitant table projected generationally with Scale BB set forward 4 years.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u>              | <u>Target<br/>Allocation</u> | <u>Long-Term Expected Real<br/>Rate of Return</u> |
|---------------------------------|------------------------------|---|
| Global Equity                   | 40.0%                        | 6.9%  |
| Core Fixed Income               | 13.0%                        | 2.4%  |
| Hedge Funds                     | 9.0%                         | 5.8%  |
| Private Equity                  | 10.0%                        | 8.5%  |
| Real Estate                     | 10.0%                        | 6.5%  |
| Value Added Fixed Income        | 10.0%                        | 5.8%  |
| Portfolio completion strategies | 4.0%                         | 5.5%  |
| Timber/Natural Resources        | <u>4.0%</u>                  | 6.6%  |
| Total                           | 100.0%                       |   |

**Discount rate.** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

**Sensitivity analysis.** The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

| <u>Fiscal Year</u><br><u>Ended</u> | <u>1% Decrease</u><br><u>to 6.5%</u> | <u>Current Discount</u><br><u>Rate 7.5%</u> | <u>1% Increase</u><br><u>to 8.5%</u> |
|------------------------------------|--------------------------------------|---|--------------------------------------|
| June 30, 2014                      | \$25,449,000,000                     | \$20,489,643,000                            | \$16,221,000,000                     |

**Annual Pension Cost**

For 2016, the Town's annual pension cost of \$5,194,260 was equal to the Towns' required and actual contributions of \$1,470,405 and the Commonwealth's on-behalf contribution of \$3,693,855.

**7 - POST EMPLOYMENT BENEFITS**

The Town pays 75 percent of the cost of insurance premiums for health benefits for all personnel who attain retirement age while in the employment of the Town, except for Medicare eligible employees for which the Town contributes 68%. These costs are appropriated and expended in the fiscal year incurred.

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)**8 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|--------------------|---------------------------|
| <b>Governmental Activities:</b>   |                              |                     |                    |                           |
| Capital assets, not being depreciated   |                              |                     |                    |                           |
| Land  | \$ 3,551,708                 | \$ -                | \$ -               | \$ ,3,551,708             |
| Construction in Progress  | <u>-</u>                     | <u>-</u>            | <u>-</u>           | <u>-</u>                  |
| Total capital assets, not<br>being depreciated                                | <u>3,551,708</u>             | <u>-</u>            | <u>-</u>           | <u>,3,551,708</u>         |
| Capital assets, being depreciated   |                              |                     |                    |                           |
| Buildings   | 31,198,831                   | -                   | -                  | 31,198,831                |
| Improvements other than buildings   | 4,613,477                    | -                   | -                  | 4,613,477                 |
| Machinery and equipment   | 5,366,183                    | 1,450,143           | 219,147            | 6,597,179                 |
| Infrastructure  | <u>61,926,797</u>            | <u>-</u>            | <u>-</u>           | <u>61,926,797</u>         |
| Total capital assets,<br>being depreciated                                    | <u>103,105,288</u>           | <u>1,450,143</u>    | <u>219,147</u>     | <u>104,336,284</u>        |
| Less accumulated depreciation for:  |                              |                     |                    |                           |
| Buildings   | 12,432,720                   | 713,001             | -                  | 13,145,721                |
| Improvements other than buildings   | 3,075,066                    | 30,732              | -                  | 3,105,798                 |
| Machinery and equipment   | 3,342,582                    | 575,497             | 189,720            | 3,728,359                 |
| Infrastructure  | <u>54,560,865</u>            | <u>638,502</u>      | <u>-</u>           | <u>55,199,367</u>         |
| Total accumulated depreciation  | <u>73,411,233</u>            | <u>1,957,732</u>    | <u>189,720</u>     | <u>75,179,245</u>         |
| Total capital assets, being<br>depreciated, net                               | <u>29,694,055</u>            | <u>(507,589)</u>    | <u>(29,427)</u>    | <u>29,157,039</u>         |
| Governmental activities capital,<br>assets net of accumulated<br>depreciation | <u>\$33,245,763</u>          | <u>\$ (507,589)</u> | <u>\$ (29,427)</u> | <u>\$32,708,747</u>       |

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|-------------------|------------------|---------------------------|
| <b>Business-Type Activities:</b>   |                              |                   |                  |                           |
| Capital assets, not being depreciated  |                              |                   |                  |                           |
| Land   | \$ 87,315                    | \$ -              | \$ -             | \$ 87,315                 |
| Construction in Progress   | <u>645,996</u>               | <u>662,447</u>    | <u>(274,739)</u> | <u>1,033,704</u>          |
| Total capital assets, not<br>being depreciated                                 | <u>733,311</u>               | <u>662,447</u>    | <u>(274,739)</u> | <u>1,121,019</u>          |
| Capital assets, being depreciated  |                              |                   |                  |                           |
| Buildings  | 9,710,764                    | -                 | -                | 9,710,764                 |
| Improvements of than buildings   | 375,740                      | -                 | -                | 375,740                   |
| Machinery and equipment  | 417,896                      | -                 | -                | 417,896                   |
| Infrastructure   | <u>8,566,053</u>             | <u>-</u>          | <u>274,739</u>   | <u>8,840,792</u>          |
| Total capital assets,<br>being depreciated                                     | <u>19,070,453</u>            | <u>-</u>          | <u>274,739</u>   | <u>19,345,192</u>         |
| Less accumulated depreciation for:   |                              |                   |                  |                           |
| Buildings  | 3,005,451                    | 242,769           | -                | 3,248,220                 |
| Improvements other than buildings  | 281,862                      | 7,515             | -                | 289,377                   |
| Machinery and equipment  | 417,896                      | -                 | -                | 417,896                   |
| Infrastructure   | <u>3,046,424</u>             | <u>176,816</u>    | <u>-</u>         | <u>3,223,240</u>          |
| Total accumulated depreciation   | <u>6,751,633</u>             | <u>427,100</u>    | <u>-</u>         | <u>7,178,733</u>          |
| Total capital assets, being<br>depreciated, net                                | <u>12,318,820</u>            | <u>(427,100)</u>  | <u>274,739</u>   | <u>12,166,459</u>         |
| Business-type activities capital,<br>assets net of accumulated<br>depreciation | <u>\$13,052,131</u>          | <u>\$ 235,347</u> | <u>\$ -</u>      | <u>\$13,287,478</u>       |

Depreciation expense was charged as direct expenses to programs of the primary government as follows:

|  |                    |
|--|--------------------|
| Government activities:                             |                    |
| General government                                 | \$ 132,343         |
| Public safety                                      | 265,860            |
| Education  | 1,235,916          |
| Public works                                       | 259,204            |
| Recreation & Cultural                              | 21,927             |
| Health & Human Services                            | <u>42,482</u>      |
| Total depreciation expense – Government activities | <u>\$1,957,732</u> |

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Business-type activities:

|       |                |
|-------|----------------|
| Water | \$ 53,131      |
| Sewer | <u>373,969</u> |

Total depreciation expense – Business-type activities \$ 427,100

**9 - ACCOUNTS RECEIVABLE**

At June 30, 2016, receivables, including applicable allowances for uncollectible amounts are as follows:

**Governmental Funds:**

|   | <u>Gross<br/>Amount</u> | <u>Allowances<br/>for<br/>Uncollectibles</u> | <u>Net<br/>Amount</u> |
|---|-------------------------|--|-----------------------|
| Real estate and personal property taxes | \$ 792,811              | \$ (240,096)                                 | \$ 552,715            |
| Tax liens and possessions               | 176,402                 | -  | 176,402               |
| Motor vehicle and other excise taxes    | 399,306                 | (177,527)                                    | 221,779               |
| Title V and other                       | 25,733                  | (6,266)                                      | 19,467                |
| Ambulance                               | 869,616                 | (509,957)                                    | 359,659               |
| Intergovernmental                       | <u>154,878</u>          | <u>-</u>                                     | <u>154,878</u>        |
|   | <u>\$ 2,418,746</u>     | <u>\$ (933,846)</u>                          | <u>\$ 1,484,900</u>   |

**Business-type Funds:**

|                         | <u>Gross<br/>Amount</u> | <u>Allowances<br/>for<br/>Uncollectibles</u> | <u>Net<br/>Amount</u> |
|-------------------------|-------------------------|--|-----------------------|
| Utility liens and other | \$ 99,973               | \$ -   | \$ 99,973             |
| User charges            | 507,379                 | -  | 507,379               |
| Special assessments     | 120,538                 | -  | 120,538               |
| Intergovernmental       | <u>1,109,121</u>        | <u>-</u>                                     | <u>1,109,121</u>      |
|                         | <u>\$ 1,837,011</u>     | <u>\$ -</u>                                  | <u>\$ 1,837,011</u>   |

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

**10 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the Town to close its landfill sites and to perform certain maintenance and monitoring at the site after closure. The Town has stopped accepting waste and closed the sites. The Town has reflected \$239,400 as the estimate of the landfill maintenance and monitoring costs as a liability at June 30, 2016, in the government-wide financial statements. The amount is based on estimates of what it would cost to perform all future postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in conditions.

**11 - LONG-TERM OBLIGATIONS**

Unmatured general obligation bonds and notes payable consist of the following:

**Bonds:**

| <u>Purpose of Issue</u>  | <u>Governmental</u> | <u>Business-type</u> |
|--|---------------------|----------------------|
| MWPAT Title V Septic, serial issue maturities through 2022, bearing interest rates of 3% to 5%           | \$ 33,027           | \$ -                 |
| MWPAT Title V Septic, serial issue maturities through 2019, bearing interest rates of 3.5% to 5%         | 41,684              | -                    |
| Multi-Purpose Issue of 2008, serial issue maturities through 2027, bearing interest rates of 3.25% to 5% | 1,541,000           | 999,000              |
| Municipal Purpose Bond, serial issue maturities through 2029, bearing interest rates of 2.25% to 4%      | 260,000             | 2,170,000            |
| MWPAT Sewer, serial issue maturities through 2021, bearing interest rates of 3.5% to 5%                  | -                   | 2,065,000            |
| MWPAT Sewer, serial issue maturities through 2020, bearing interest rates of 4.5% to 5.25%               | -                   | 475,000              |
| MWPAT Sewer, serial issue maturities through 2019, bearing interest rates of 4.38% to 5.5%               | -                   | 155,000              |
| MWPAT Sewer, serial issue maturities through 2018, bearing interest rates of 4% to 5%                    | -                   | 79,900               |
|  | <u>1,875,711</u>    | <u>5,943,900</u>     |

**Bond Anticipation Notes:**

|                     |                     |
|---------------------|---------------------|
| -                   | -                   |
| <u>\$ 1,875,711</u> | <u>\$ 5,943,900</u> |

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### General Obligation Bonds

General obligation bonds are backed by the full faith and credit of the Town. The state has approved school construction assistance subject to annual appropriation by the legislature to partially provide resources for future principal and interest requirements.

Bond anticipation notes are classified as general obligation bonds when the criteria established by FASB-6, *Classification of Short-Term Obligations Expected to be Refinanced*, are satisfied.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the Town to rebate excess arbitrage earnings from bond proceeds to the federal government.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit.

Transactions for the year ended June 30, 2016 are summarized as follows:

|  | <u>Balance<br/>July 1</u>  | <u>Issues or<br/>Additions</u> | <u>Payments or<br/>Expenditures</u> | <u>Balance<br/>June 30</u> | <u>Due Within<br/>One Year</u> |
|--|----------------------------|--------------------------------|-------------------------------------|----------------------------|--------------------------------|
| <b><u>Governmental Type Activities</u></b> |                            |                                |                                     |                            |                                |
| General Obligation Bonds                   | \$ 2,487,819               | \$ -                           | \$ 612,108                          | \$ 1,875,711               | \$ 247,108                     |
| General Obligation BANS                    | -                          | -                              | -                                   | -                          | -                              |
| OPEB Obligation                            | 26,590,613                 | 4,153,996                      | -                                   | 30,744,609                 | -                              |
| Landfill Postclosure Care Costs            | 252,700                    | -                              | 13,300                              | 239,400                    | 13,300                         |
| Compensated Absences                       | <u>795,668</u>             | <u>-</u>                       | <u>1,139</u>                        | <u>794,529</u>             | <u>-</u>                       |
| Total governmental activities              | <u>30,126,800</u>          | <u>4,153,996</u>               | <u>626,547</u>                      | <u>33,654,249</u>          | <u>260,408</u>                 |
| <b><u>Business- Type Activities</u></b>    |                            |                                |                                     |                            |                                |
| General Obligation Bonds-Sewer             | 6,217,000                  | -                              | 748,100                             | 5,468,900                  | 763,900                        |
| General Obligation BANS-Sewer              | -                          | -                              | -                                   | -                          | -                              |
| General Obligation Bonds-Water             | 510,000                    | -                              | 35,000                              | 475,000                    | 35,000                         |
| Compensated Absences - Water               | -                          | -                              | -                                   | -                          | -                              |
| Compensated Absences - Sewer               | <u>28,129</u>              | <u>-</u>                       | <u>2,690</u>                        | <u>25,439</u>              | <u>-</u>                       |
| Total business-type activities             | <u>6,755,129</u>           | <u>-</u>                       | <u>785,790</u>                      | <u>5,969,339</u>           | <u>798,900</u>                 |
| Total government                           | <u><u>\$36,881,929</u></u> | <u><u>\$ 4,153,996</u></u>     | <u><u>\$ 1,412,337</u></u>          | <u><u>\$39,623,588</u></u> | <u><u>\$1,059,308</u></u>      |



# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each bond type for the years subsequent to June 30, 2016 are as follows:

| Year Ending<br>June 30  | <u>Governmental Activities</u> |                   | <u>Business-type Activities</u> |                   |                     |
|-------------------------|--------------------------------|-------------------|---------------------------------|-------------------|---------------------|
|                         | <u>Principal</u>               | <u>Interest</u>   | <u>Principal</u>                | <u>Interest</u>   | <u>Total</u>        |
| 2017                    | \$ 247,108                     | \$ 76,060         | \$ 798,900                      | \$ 229,481        | \$ 1,351,549        |
| 2018                    | 242,108                        | 64,526            | 814,600                         | 184,845           | 1,306,079           |
| 2019                    | 242,108                        | 54,043            | 835,400                         | 140,111           | 1,271,662           |
| 2020                    | 157,108                        | 45,349            | 823,000                         | 99,155            | 1,124,612           |
| 2021                    | 146,687                        | 39,430            | 793,000                         | 76,282            | 1,055,399           |
| 2022 - 2026             | 710,592                        | 111,443           | 1,284,000                       | 201,197           | 2,307,232           |
| 2027                    | <u>130,000</u>                 | <u>5,330</u>      | <u>595,000</u>                  | <u>41,175</u>     | <u>771,505</u>      |
|                         | 1,875,711                      | 396,181           | 5,943,900                       | 972,246           | 9,188,038           |
| Bond Anticipation Notes | <u>-</u>                       | <u>-</u>          | <u>-</u>                        | <u>-</u>          | <u>-</u>            |
| Total                   | <u>\$ 1,875,711</u>            | <u>\$ 396,181</u> | <u>\$ 5,943,900</u>             | <u>\$ 972,246</u> | <u>\$ 9,188,038</u> |

### Loan Subsidy –

The Town receives subsidy assistance from the Massachusetts Water Pollution Abatement Trust (MWPAT) for various sewer construction projects and Title V septic loans. Interest and a portion of the principal on the outstanding bonds for the MWPAT are subsidized over the life of the bonds to assist the Town in repayment of this future debt. During fiscal 2016, the Town's subsidy totaled \$266,249; \$4,413 for governmental funds and \$261,836 for the sewer enterprise fund. Future subsidies total approximately \$1,093,875. The amount of MWPAT bonds outstanding at June 30, 2016, amounted to \$2,849,611.

### Temporary Borrowings

Under state law and by authorization of the Board of Selectmen, the Town is authorized to borrow on a temporary basis to fund the following:

- (1) Current operating costs prior to the collection of revenues through the issuance of revenue or tax anticipation notes (RANs or TANs).
- (2) Capital project costs incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs).
- (3) Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of Federal and state aid anticipation notes (FANs and SANs).

## TOWN OF NORTHBRIDGE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

#### **Bonds Authorized and Unissued**

The Town is subject to a dual level general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there may be categories of general obligation debt which are exempt from the debt limit but are subject to other limitations, including debt incurred under the Funding Loan Act of 1971.

As of June 30, 2016, the Town has the following authorized and unissued debt:

| <u>Description</u>                    | <u>Amount</u>       |
|---------------------------------------|---------------------|
| Sutton Street Sewer and Water         | \$ 905,000          |
| D & C Sutton St. Sewer and Water      | 348,650             |
| School Repairs                        | 65,000              |
| Sewer Interceptor                     | 335,000             |
| Sewer Siphon                          | 80,000              |
| Sewer Title V Program                 | 200,000             |
| Wastewater Treatment Facility         | 176,297             |
| Wastewater Treatment Facility Upgrade | 20,000              |
| Municipal Building Roofs              | <u>1,195,000</u>    |
| Total                                 | <u>\$ 3,324,947</u> |

#### **12 - CONTINGENCIES**

The Town is a party to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings, in the opinion of Town Counsel, are not likely to have a material adverse impact on the Town's financial position.

The Town is contingently liable for its proportionate share of debt of the Blackstone Valley Vocation Regional School.

Amounts received or receivable from grantor agencies are subject to audit and adjustments by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

#### **13 - RISK FINANCING**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; workers compensation claims; errors and omissions; and natural disasters for which the Town carries commercial insurance.

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

### 14 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS AND FUND DEFICITS

For the fiscal year ended June 30, 2016, expenditures exceeded appropriations for public works. These over-expenditures will be funded by taxes during fiscal 2017.

### 15 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016, are as follows:

| <u>Transfers Out</u>        | <u>General<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Fund</u> | <u>Water<br/>Enterprise<br/>Fund</u> | <u>Sewer<br/>Enterprise<br/>Fund</u> | <u>Total</u>       |     |
|-----------------------------|-------------------------|---|--------------------------------------|--------------------------------------|--------------------|-----|
| General Fund                | \$ -                    | \$ 88,963                                 | \$ -                                 | \$ -                                 | \$ 88,963          | (1) |
| Sewer Enterprise Fund       | 243,560                 | -   | -                                    | -                                    | 243,560            | (2) |
| Water Enterprise Fund       | 31,098                  | -   | -                                    | 8,054                                | 39,152             | (3) |
| Nonmajor Governmental Funds | <u>841,902</u>          | <u>-</u>                                  | <u>-</u>                             | <u>-</u>                             | <u>841,902</u>     | (4) |
|                             | <u>\$ 1,116,560</u>     | <u>\$ 88,963</u>                          | <u>\$ -</u>                          | <u>\$ 8,054</u>                      | <u>\$1,213,577</u> |     |

(1) Represents budgeted transfers to nonmajor compensated absences fund (\$49,750) and building maintenance fund (\$39,213).

(2) Represents budgeted transfer of sewer fund indirect costs (\$243,560).

(3) Represents budgeted transfer of water fund indirect costs (\$31,098) and correction of prior year receipt to sewer fund (\$8,054).

(4) Represents budgeted transfer from nonmajor Title V repayment fund (\$15,108), ambulance receipts reserved fund (\$771,581), wetlands protection fund (\$5,000), sealer of weights and measures (\$6,000), parking tickets fund (\$5,000) and building maintenance fund (\$39,213).

### 16 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

*Plan Description* - The Town provides health insurance coverage for its retirees and their survivors (hereinafter referred to as the "Plan") as a single-employer defined benefits Other Post Employment Benefit (OPEB) plan. Chapter 32B of the Massachusetts General Laws (MGL) assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants as of January 1, 2015, the latest actuarial valuation, is as follows:

|  |            |
|--|------------|
| Active employees.....                    | 385        |
| Retired employees and beneficiaries..... | <u>213</u> |
| Total                                    | <u>598</u> |

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

*Funding Policy* – The contribution requirements of the Plan and the Town are negotiated between the Town and union representatives. The current required health insurance contribution rates of Plan members and the Town varies based upon the type of plan selected and whether the selection is a single plan or a family plan. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis.

*Annual OPEB and NET OPEB Obligation* – The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with the parameters set forth in GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation are summarized in the following table:

|   |                            |
|---|----------------------------|
| Normal cost   | \$ 2,577,501               |
| Amortization of unfunded actuarial<br>accrued liability | 3,215,505                  |
| Interest on OPEB obligation                             | 1,353,667                  |
| Adjustments to ARC                                      | (1,364,646)                |
|   | 5,782,027                  |
| Contributions made                                      | <u>1,628,031</u>           |
|   |                            |
| Increase in net OPEB obligation                         | 4,153,996                  |
| Net OPEB obligation, beginning of year                  | <u>26,590,613</u>          |
|   |                            |
| Net OPEB obligation, end of year                        | <u><u>\$30,744,609</u></u> |

Trend information regarding annual pension cost, the percentage of the annual pension cost contribution and the net pension obligation is as follows:

| Fiscal Year<br><u>Ended</u> | Annual<br><u>OPEB Cost</u> | Percentage of<br>Annual OPEB<br><u>Cost</u><br><u>Contributed</u> | Net OPEB<br><u>Obligation</u> |
|-----------------------------|----------------------------|---|-------------------------------|
| 6/30/2016                   | \$5,782,027                | 28.16%  | \$30,744,609                  |
| 6/30/2015                   | 5,524,011                  | 28.98%  | 26,590,613                    |
| 6/30/2014                   | 6,212,466                  | 26.53%  | 22,667,358                    |
| 6/30/2013                   | 5,808,783                  | 25.43%  | 18,103,093                    |
| 6/30/2012                   | 5,953,159                  | 36.79%  | 13,771,755                    |
| 6/30/2011                   | 5,848,417                  | 40.00%  | 10,008,653                    |

# TOWN OF NORTHBRIDGE, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

*Funding Status and Funding Progress* – The funding status of the Plan on June 30, 2016 is as follows:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(A) | Actuarial<br>Accrued<br>Liability (AAL)<br>Projected Unit<br>Credit<br>(B) | Unfunded<br>AAL<br>(UAAL)<br>(B-A) | Funded<br>Ratio<br>(A/B) | Covered<br>Payroll<br>(C) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((B-A)/C) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 01/01/15                       | \$ -                                   | \$67,063,950   | \$67,063,950                       | \$ -                     | \$15,400,000              | 435.5%  |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

*Actuarial Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The significant methods and assumptions as of the latest actuarial valuation are as follows:

|                                     |   |
|-------------------------------------|---|
| Valuation date:                     | January 1, 2015                                       |
| Actuarial cost method:              | Projected Unit Credit                                 |
| Amortization method:                | Level Percentage of Payroll                           |
| Remaining amortization period:      | 26.07 Years   |
| Interest discount rate:             | 4%  |
| Healthcare/medical cost trend rate: | 9.0% for 2015 decreasing to 5% in 2023 and thereafter |

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

**17 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| <u>Fund Balances</u>       | <u>General</u>     | Nonmajor<br>Governmental<br><u>Funds</u> | <u>Total</u>        |
|----------------------------|--------------------|--|---------------------|
| <u>Nonspendable:</u>       | \$ <u>-</u>        | \$ <u>-</u>                              | \$ <u>-</u>         |
| <u>Restricted For:</u>     |                    |  |                     |
| Gifts and donations        | -                  | 524,500                                  | 524,500             |
| Trust funds                | -                  | 629,349                                  | 629,349             |
| Federal and state grants   | <u>-</u>           | <u>225,504</u>                           | <u>225,504</u>      |
| Total Restricted           | <u>-</u>           | <u>1,379,353</u>                         | <u>1,379,353</u>    |
| <u>Committed To:</u>       |                    |  |                     |
| Capital projects fund      | -                  | 133,233                                  | 133,233             |
| Carryover articles         | 618,910            | -  | 618,910             |
| Designated for fiscal 2016 | <u>1,256,219</u>   | <u>-</u>                                 | <u>1,256,219</u>    |
| Total Committed            | <u>1,875,129</u>   | <u>133,233</u>                           | <u>2,008,362</u>    |
| <u>Assigned:</u>           |                    |  |                     |
| Revolving accounts         | -                  | 4,589,394                                | 4,589,394           |
| Encumbrances               | 43,476             | -  | 43,476              |
| Stabilization funds        | <u>2,508,623</u>   | <u>-</u>                                 | <u>2,508,623</u>    |
| Total Assigned             | <u>2,552,099</u>   | <u>4,589,394</u>                         | <u>7,141,493</u>    |
| <u>Unassigned:</u>         | <u>3,307,762</u>   | <u>-</u>                                 | <u>3,307,762</u>    |
| Total Fund Balances        | <u>\$7,734,990</u> | <u>\$6,101,980</u>                       | <u>\$13,836,970</u> |

The Town has established by ordinance two stabilization funds, a general stabilization fund and an insurance stabilization fund within the general fund and is reported within the assigned fund balance classifications.

TOWN OF NORTHBRIDGE, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

**18 – DEFERRED INFLOWS AND OUTFLOW OF RESOURCES**

Deferred inflows of resources are the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The deferred inflow of resources balance at June 30, 2016 consists of deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The balance of the general fund deferred inflow of resources account is equal to the total of all June 30, 2015 receivable balances, except real and personal property taxes that are accrued for subsequent 60 day collections.

The deferred outflow of resources balance as of June 30, 2016 consists of the Town's proportionate share of the NCRS net difference between projected and actual investment earnings on pension plan investments. This difference is being amortized over five years.

## **REQUIRED SUPPLEMENTARY INFORMATION**



TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF THE CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
NORTHBRIDGE CONTRIBUTORY RETIREMENT SYSTEM

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>TOTAL PENSION LIABILITY:</b>  |                      |                      |
| Service cost   | \$ 1,118,841         | \$ 1,073,000         |
| Interest   | 3,392,577            | 3,230,000            |
| Change of benefit terms  | -                    | -                    |
| Differences between expected and actual experience                         | -                    | -                    |
| Change of assumptions  | -                    | -                    |
| Benefit payments, including refunds of employee contributions              | (2,237,409)          | (2,389,000)          |
| Net change in total pension liability                                      | 2,274,009            | 1,914,000            |
| Total pension liability - beginning of year                                | 42,407,082           | 40,493,000           |
| Total pension liability - end of year                                      | <u>\$ 44,681,091</u> | <u>\$ 42,407,000</u> |
| <b>PLAN FIDUCIARY NET POSITION:</b>  |                      |                      |
| Contributions - employer   | \$ 1,472,162         | \$ 1,375,000         |
| Contributions - employee   | 782,380              | 883,000              |
| Net investment income  | 170,641              | 2,031,000            |
| Benefit payments, including refunds of member contributions                | (2,237,409)          | (2,389,000)          |
| Administrative expenses  | (103,840)            | (109,000)            |
| Net change in plan fiduciary net position                                  | 83,934               | 1,791,000            |
| Plan fiduciary net position - beginning of year                            | 28,979,389           | 27,188,389           |
| Plan fiduciary net position - end of year                                  | <u>\$ 29,063,323</u> | <u>\$ 28,979,389</u> |
| Net pension liability  | <u>\$ 15,617,768</u> | <u>\$ 13,427,611</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 65.0%                | 68.3%                |
| Covered-employee payroll   | \$ 8,748,156         | \$ 8,497,000         |
| Net pension liability as a percentage of covered-employee payroll          | 178.5%               | 158.0%               |

See accompanying auditors report

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NORTHBRIDGE CONTRIBUTORY RETIREMENT SYSTEM

|  | <u>2016</u>     | <u>2015</u>  | <u>2014</u>  | <u>2013</u>  | <u>2012</u>  |
|--|-----------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution                                  | \$ 1,471,377    | \$ 1,374,972 | \$ 1,322,618 | \$ 1,172,299 | \$ 1,133,399 |
| Contributions in relation to the actuarially determined contribution | 1,472,162       | 1,374,972    | 1,322,618    | 1,172,299    | 1,133,399    |
| Contribution deficiency (excess)                                     | <u>\$ (785)</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered-employee payroll   | \$ 8,748,156    | \$ 8,497,488 | \$ 8,222,037 | \$ 7,285,589 | \$ 7,298,729 |
| Contributions as a percentage of covered-employee payroll            | 16.8%           | 16.2%        | 16.1%        | 16.1%        | 15.5%        |
|  | <u>2011</u>     | <u>2010</u>  | <u>2009</u>  | <u>2008</u>  | <u>2007</u>  |
| Actuarially determined contribution                                  | \$ 1,107,595    | \$ 1,083,201 | \$ 1,043,809 | \$ 1,006,062 | \$ 972,181   |
| Contributions in relation to the actuarially determined contribution | 1,107,595       | 1,083,201    | 1,043,809    | 1,006,026    | 972,181      |
| Contribution deficiency (excess)                                     | <u>\$ -</u>     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered-employee payroll   | \$ 6,202,000    | \$ 6,001,125 | \$ 5,494,417 | \$ 5,333,893 | \$ 5,009,891 |
| Contributions as a percentage of covered-employee payroll            | 17.9%           | 18.0%        | 19.0%        | 18.9%        | 19.4%        |

SCHEDULE OF INVESTMENT RETURNS  
NORTHBRIDGE CONTRIBUTORY RETIREMENT SYSTEM

|  | <u>2015</u> |
|--|-------------|
| Annual money-weighted rate of return, net of investment expenses | 0.81%       |

See accompanying auditors report

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF TOWN'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
NORTHBRIDGE CONTRIBUTORY RETIREMENT SYSTEM

|  | 2016          | 2015          |
|--|---------------|---------------|
| Town's proportion of the net pension liability   | 99.37%        | 99.36%        |
| Town's proportionate share of the net pension liability  | \$ 15,519,377 | \$ 13,341,756 |
| Town's covered-employee payroll  | 8,689,980     | 8,442,862     |
| Town's proportionate share of the net pension liability<br>as a percentage of its covered-employee payroll | 178.50%       | 158.00%       |
| Plan fiduciary net position as a percentage of the<br>total pension liability                              | 65.00%        | 68.30%        |

SCHEDULE OF TOWN'S CONTRIBUTIONS  
NORTHBRIDGE CONTRIBUTORY RETIREMENT SYSTEM

|  |              |              |
|--|--------------|--------------|
| Actuarially required contribution                                    | \$ 1,462,107 | \$ 1,366,172 |
| Contribution in relation to the actuarially<br>required contribution | 1,462,892    | 1,366,172    |
| Contribution deficiency(excess)                                      | \$ (785)     | \$ -         |
| Town's covered-employee payroll                                      | \$ 8,689,980 | \$ 8,442,862 |
| Contributions as a percentage of covered-employee payroll            | 16.83%       | 16.18%       |

See accompanying auditors report

TOWN OF NORTHBRIDGE, MASSACHUSETTS  
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| Employer's proportionate percentage of the net pension liability                     | 0.00000%             | 0.00000%             |
| Employer's proportionate share of the net pension liability                          | \$ -                 | \$ -                 |
| State's proportionate share of the net pension liability<br>associated with the Town | 45,541,914           | 38,179,506           |
| Total  | <u>\$ 45,541,914</u> | <u>\$ 38,179,506</u> |

SCHEDULE OF TOWN'S CONTRIBUTIONS  
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

|  |                     |                     |
|--|---------------------|---------------------|
| Towns proportionate share of the Massachusetts'<br>Teachers Retirement System pension expense funded by the<br>Commonwealth of Massachusetts on behalf of the Town | <u>\$ 3,693,855</u> | <u>\$ 2,652,514</u> |
|--|---------------------|---------------------|

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information is presented for those years for which information is available.

See accompanying auditors report

**MEMORANDUM OF UNDERSTANDING**  
**BY AND BETWEEN**  
**THE METROPOLITAN AREA PLANNING COUNCIL**  
**AND**  
**THE TOWN OF NORTHBRIDGE**

This Memorandum of Understanding (MOU) is entered into by and between the Metropolitan Area Planning Council, a public body politic and corporate established by Chapter 40B, Sections 24 through 29, of the Massachusetts General Laws with its principal office at 60 Temple Place, Boston, Massachusetts, 02111 (“MAPC”), and the Town of Northbridge (“Participating Municipality”), a municipal corporation duly organized under the laws of Massachusetts and having a usual place of business at 7 Main Street Whitinsville, MA 01588.

WHEREAS, MAPC and the Participating Municipality may be referred to collectively as the “Parties”;

WHEREAS, the Commonwealth of Massachusetts’ Department of Energy Resources (“DOER”) selected MAPC to administer the LED Streetlight Rapid Retrofit grant program, and executed a contract (“Contract”) with MAPC on January 10, 2017 delineating the roles and responsibilities of the Parties with respect to the grant program, such Contract attached hereto as Exhibit A and incorporated herein;

WHEREAS, DOER shall disburse grant funding to MAPC in segments throughout the term of the Contract and MAPC shall disburse the appropriate amount of funding to each Participating Municipality on a reimbursement basis;

WHEREAS, the Contract requires that the Participating Municipality provide MAPC with a complete streetlight audit that was completed no more than three (3) years prior to the effective date of this MOU and further requires that the Participating Municipality complete its streetlight retrofit on or before December 31, 2018;

WHEREAS, the Contract requires MAPC to provide technical assistance to Participating Municipalities at no cost to secure streetlight audit services and to organize collective purchasing opportunities for the purchase and installation of LED equipment;

WHEREAS, the Participating Municipality has provided MAPC with its most recent copy of a streetlight inventory and any available project cost estimates, attached hereto as Exhibit B and incorporated herein;

WHEREAS, the Contract authorizes MAPC to disburse grant funding to each Participating Municipality in a sum equal to 30% of the net cost of streetlight cobra-head luminaires and standard controls ("LED equipment") and installation of such equipment. For purposes of this agreement, net cost is defined as:

Net Cost = [Cost of LED Equipment + Cost of Installation] - [Utility Incentives];

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, MAPC and the Participating Municipality agree as follows:

1. Term: This MOU shall be effective upon signing by all Parties and shall be in effect until March 4, 2019 or until terminated, whichever occurs earlier.
2. Procurements: MAPC will periodically administer collective procurements on behalf of Participating Municipalities for streetlight audits, design and project management services, streetlight equipment, and streetlight installation.
3. Streetlight audit: The Participating Municipality shall have its streetlight audit conducted by a third-party expert. The Participating Municipality may request a waiver from DOER should it desire to utilize a streetlight audit conducted by its own municipal staff.
4. Streetlight specifications: The Participating Municipality will install luminaires that have 7-pin receptacles.
5. Utility incentives: The Participating Municipality shall make a good faith effort to maximize the utility incentive received from its electric utility. The Participating Municipality shall notify MAPC if it is having difficulty securing utility incentive funding.
6. Grant funds:
  - a. MAPC shall reserve \$95,425.35 of the total grant funding ("reserved funds") for the Participating Municipality, as calculated in Exhibit B.
  - b. If necessary during the term of this MOU, MAPC will adjust the amount of reserved funds based on updated streetlight inventories and cost estimates and actual costs incurred by the Participating Municipality. Notice of any changes to the amount of reserved funds will be sent to the Participating Municipality in writing and shall be documented in this MOU as Exhibit C, attached hereto and incorporated herein.

7. Milestones:

- a. The Participating Municipality shall adhere to the following schedule:
  - i. October 30, 2017: Secure municipal approval for project financing
  - ii. November 30, 2017: Contact electric utility to begin incentive reservation
  - iii. January 15, 2018: Complete streetlight audit
  - iv. January 30, 2018: Solicit material pricing for group procurement
  - v. February 28, 2018: Select replacement equipment
  - vi. March 15, 2018: Sign contract with installation vendor
  - vii. June 15, 2018: Complete retrofit.
- b. The Participating Municipality shall submit to MAPC documentation attesting to the completion of each milestone. The definitions for each milestone and relevant required documentation appear in Exhibit D, attached hereto and incorporated herein.

8. Disbursements:

- a. Upon completion of the retrofit, the Participating Municipality shall provide MAPC with a Commitment, as described in Exhibit D.
- b. Upon receipt of the Commitment, MAPC will review the documentation for approval and update the amount of reserved funds based on the Participating Municipality's final incurred costs for LED equipment and installation and received utility incentives.
- c. MAPC will request a disbursement of funds from DOER upon receiving Commitments from one or more Participating Municipalities whose number of retrofitted streetlights, aggregated, totals approximately 7,500.
- d. Once MAPC has received a disbursement from DOER sufficient to meet the Participating Municipality's reserved funds and MAPC's administrative costs, it will disburse such funds to the Participating Municipality, or if directed in writing by the Participating Municipality, to a vendor, within 45 business days.

9. Forfeiture of Grant Funds: The Participating Municipality's failure to adhere to the terms of this agreement, including meeting milestones in a timely manner, may result in the forfeiture of reserved funds.

10. Assignment: The Parties shall not assign nor transfer their respective interests in this MOU, in part or in whole, without the prior written consent of the other.

11. Termination of Agreement: Either Party may terminate this agreement sixty (60) days after written notice of intent to do so. In the case of a material breach of either Parties' rights or obligations described herein, either Party may terminate the agreement immediately through written notice.

12. Governing Law: This MOU shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts. Both Parties agree to submit to the



jurisdiction of the state and federal courts in the Commonwealth of Massachusetts to resolve any disputes or disagreements that may arise under any provision of this MOU.

13. Complete Agreement: This MOU, and the Attachments and incorporated herein, constitute a total agreement of the Parties and supersede all prior agreements and understandings between the Parties, and may not be changed unless agreed upon in writing by both Parties.

14. Severability: In the event any provision of this MOU is found by a court of appropriate jurisdiction to be unlawful or invalid, the remainder of the MOU shall remain and continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date last written below.

Participating Municipality:

Metropolitan Area Planning Council

By: \_\_\_\_\_

By: \_\_\_\_\_

Rebecca Davis

Title: \_\_\_\_\_

Deputy Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Exhibit B: Participating Municipality Streetlight Inventory & Grant Calculation

| Category                                      | Amount               | Units                                      | Source                                     |
|---|----------------------|--|--|
| Cobraheads                                    | 1153                 |  |  |
| Audit/Design                                  | \$ 53,145.00         |  | MAPC Calculators 5-12                      |
| Materials                                     | \$ 250,592.00        |  | MAPC Calculators 5-12                      |
| Labor   | \$ 94,480.00         |  | MAPC Calculators 5-12                      |
| Per Fixture Buffer                            | \$ 34,590.00         |  | Included \$30 extra per fixture as buffer. |
| <b>Total Project</b>                          | <b>\$ 432,807.00</b> |  |  |
| <b>Total for Grant</b>                        | <b>\$ 379,662.00</b> |  |  |
|   |                      |  |  |
| Actual Energy Savings<br>(not billed savings) | 246,310              | kWh  | MAPC Calculators 5-12                      |
| Utility Incentive                             | \$ 61,577.50         | \$0.25/kWh<br>unless<br>otherwise<br>noted |  |
|   |                      |  |  |
| <b>Net Cost After Incentives</b>              | <b>\$ 318,084.50</b> |  |  |
| <b>Grant Reservation (30%<br/>of Net)</b>     | <b>\$ 95,425.35</b>  |  |  |
|   |                      |  |  |
| Cost per Light Pre Utility<br>Incentive       | \$329                |  |  |

**TOWN MANAGER'S REPORT - May 22, 2017**

1. **Whitinsville Water Company/Department of Public Utilities Filing** - The Whitinsville Water Company has notified the Town that they will be submitting a rate change to the Department of Public Utilities.
2. **Worcester Regional Transit Authority Schedule Change** - The WRTA has announced schedule changes, which will take effect on June 24, 2017. The WRTA will also be increasing the rates beginning July 1, 2017. More information on these changes can be found at [www.therta.com](http://www.therta.com).
3. **Department of Public Works Facility Update** - The Building Planning and Construction Committee accepted a bid for the DPW Facility. The contract was awarded to the low bidder, J.J. Cardosi, Inc. The base bid came in at \$1,894,000.00 with Alternate #1 at \$36,000. Alternate #1 is the generator.
4. **Legislative Breakfast Update** - The topic of the Legislative update was the foundation budget. The discussion was about the need to change the formula in consideration for high costs in health insurance, special education and low income students. The challenge is to find revenue to support the increase in the costs.

Attorneys at Law

RichMay

Rich May, P.C. 176 Federal Street, Boston, MA 02110  
main: 617.556.3800 fax: 617.556.3890

Eric J. Krathwohl, Esq.  
Direct: (617) 556-3857  
Email: [ekrathwohl@richmaylaw.com](mailto:ekrathwohl@richmaylaw.com)

TMgr RPT 5/22

KI

May 15, 2017

BY HAND

Mark Marini, Secretary  
Department of Public Utilities  
One South Station  
Boston, MA 02110

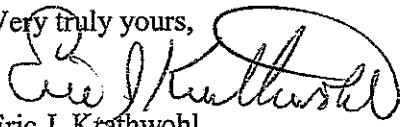
Re: Whitinsville Water Company

Dear Secretary Marini:

We file this letter on behalf of Whitinsville Water Company (the "Company") to provide the Department advance notice of the Company's intent to file new rate schedules and supporting materials on or about June 15, 2017, by which filing the Company will seek a general base rate increase, pursuant to Massachusetts General Laws Chapter 164, Section 94 and Chapter 165, Section 2.

Should there be any questions, please do not hesitate to contact the undersigned.

Very truly yours,

  
Eric J. Krathwohl

cc: Kevin Penders, Esq., General Counsel  
Kevin Brannelly, Director Rates and Revenue Requirements  
Paul Osborne, Assistant Director Rates and Revenue Requirements  
Rebecca Tepper, Esq., Chief Energy and Telecommunications Division, Office of Attorney General Maura Healy (By Email)

# WRTA Customer Bulletin

## Upcoming Schedule Changes

TMGR  
Report 5/22

The WRTA Advisory Board has voted to approve changes to the routes and schedules listed below. The service changes will take effect on June 24, 2017.

### Changes Approved for the following WRTA Bus Routes:

**Route 1** - Will be merged together with Route 22 to create a new Route 1 that will serve parts of Providence, Dorchester, and Heywood Streets connecting to Walmart (Rt. 146) via Providence Street.

**Route 4** - Route will be extended to serve Millbury Center.

**Route 10** - Route Eliminated.

**Route 14** - On Weekdays, reduce frequency from 30 minutes to 60 minutes after the midday schedule.

**Routes 9, 16, and 31** - Route 9 will be eliminated. Routes 16 and 31 will be merged together into a clockwise and counter-clockwise loop route that will form a new outer loop. Route 31 will be modified to provide service to Park Avenue and Elm Street.

**Routes 19 and 30** - Eliminated select extra trips.

**Route 34 (Sundays only)** - Current service will be replaced with Route 24A routing (Belmont St. to UMass).

**Downtown Hub Loop** - Maintain the current fare free service and routing. In late August 2017 routing will be modified and fare will be implemented.

**Late Night Service (trips after 10:00 PM)** - Late night service will be eliminated.

The following table shows the current fares and the increase that was approved by the WRTA Advisory Board. The fare increase will take effect on July 1, 2017.

| Fixed Route                      | Current Fare    | FY2018          |
|----------------------------------|-----------------|-----------------|
| Cash Fare                        | \$1.50          | \$1.75          |
| Cash Fare - Reduced              | \$0.75          | \$0.85          |
| One Day Pass (8 rides)           | \$3.50          | \$4.50          |
| One Day Pass - Reduced (8 rides) | \$1.75          | \$2.25          |
| 31 Day Pass                      | \$48.00         | \$57.00         |
| 31 Day Pass - Reduced            | \$24.00         | \$28.50         |
| Charlie Card                     | \$1.30          | \$1.60          |
| Charlie Card - Reduced           | \$0.65          | \$0.80          |
| UPass                            | \$100.00        | \$125.00        |
| ADA Paratransit *                | \$2.25 - \$3.00 | \$2.75 - \$3.50 |
| Non-ADA Paratransit *            | \$1.25 - \$2.00 | \$1.50 - \$2.25 |

\* FY2018 - 3 Zones

For more information, please visit [www.therta.com](http://www.therta.com) or contact WRTA Customer Service at (508) 791-9782.

#### Translation

**English:** If this information is needed in another language, please visit [www.therta.com](http://www.therta.com) and use the Google Translate feature.  
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**Swahili:** Kama unahitaji habari hii katika nyingine lugha, unaweza kubonyeza mahali panaandikwa "Google Translate" hapa juu.



Worcester Regional Transit Authority

[www.therta.com](http://www.therta.com)