



Meeting Agenda – Audit and Finance Committee
 Genesee Local Development Corp.
 Tuesday, October 25, 2022 – 8:30 a.m.
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	D. Cunningham	
2-7	2. Chairman's Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: October 4, 2022	D. Cunningham	Vote
	3. Discussions / Official Recommendations to the Board:		
8	3a. Genesee CARES Update	J. Krencik	Discussion
9-12	3b. September 2022 Financial Statements	L. Farrell	Disc / Vote
14	3c. GGLDC 2023 Budget	L. Farrell	Disc / Vote
15-17	3d. GGLDC 1 + 3 Budget	L. Farrell	Disc / Vote
	3e. GCEDC Economic Development Support Grant	L. Farrell	Disc / Vote
18-20	3f. Strategic Investments	L. Farrell	Discussion
21-36	3g. Deferred Loan Agreement – Ag Park	M. Masse	Disc / Vote
	4. Adjournment	D. Cunningham	Vote



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GGLDC Audit & Finance Committee Meeting
Tuesday, October 4, 2022
Location – 99 MedTech Drive, Innovation Zone
4:00 p.m.

MINUTES

ATTENDANCE

Committee Members: D. Cunningham, P. Battaglia, T. Felton
Staff: L. Farrell, M. Masse, L. Casey, K. Galdun
Guests: M. Zimmerman (Harrison Studios), M. Gray (GCEDC Board Member), P. Zelif (GCEDC/GGLDC Board Member)
Absent: T. Bender

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 4:06 p.m. in the Innovation Zone.

2. CHAIRMAN’S REPORT & ACTIVITES

2a. Agenda Additions / Other Business – Nothing at this time.

2b. Minutes: August 30, 2022

T. Felton made a motion to recommend approval of the August 30, 2022 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Absent
D. Cunningham – Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

The Committee discussed agenda item 3k first to allow M. Zimmerman from Harrison Studios to leave the meeting timely.

3k. Genesee CARES Update – Discussion: Genesee CARES Update – As of September 29, 2022, the 22 small businesses participating in the Genesee CARES initiative have submitted over \$800,000 of expenditures across six disbursement requests to the NYS Office of Community Renewal.

26

2

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Eighteen of the participating small businesses have submitted for their entire grant awards, with a remaining 4 small businesses with partial or full grant funding available for a total of \$71,958 in remaining grant funds. A status of the grant disbursements and eligible reimbursements as of September 29, 2022, was provided with the meeting materials.

P. Zeliff joined the meeting at 4:09 p.m.

M. Zimmerman left the meeting at 4:14 p.m.

3a. August 2022 Financial Statements - L. Farrell reviewed with the Committee the significant items of the August 2022 long form financial statements.

- On line 8 of the balance sheet, there is restricted cash grant funds of \$739,000 at the end of August. We collected funds from OCR related to the Upstate Niagara Cooperative, Inc project. This was 50% grant and 50% loan to the company, which was paid out in September.
- On line 16, *Grants Receivable - Other* decreased by \$10,000. We collected \$10,000 from the Workforce Development Institute (WDI), which was related to the Cornell in High School program that C. Suozzi facilitated. We paid \$20,000 to Cornell and received \$10,000 after providing documentation related to the success of the program. WDI is potentially interested in funding similar programs in the future.
- Accounts payable increased by the monthly accrual amounts for the payments to the GCEDC for the Economic Development Program Support Grant and the MedTech Property Management Fee.
- In the operating fund, we recorded grant revenue related to the Upstate Niagara Cooperative, Inc project, which was previously discussed.
- Also, in the operating fund, approximately \$298,000 was recorded as CDBG/Genesee CARES grant revenue. The corresponding grant expense and professional services fees were recorded related to this. Grant funds were disbursed to the participants and program delivery fees were paid to H. Sichertman & Co.
- There is regular monthly activity for MedTech Centre, which is on budget for most line items.

P. Battaglia made a motion to recommend to the full Board the approval of the August 2022 Financial Statements as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Absent
D. Cunningham - Yes

The item was approved as presented.

3b. GGLDC Budget Timeline – The 2023 Budget is due to the ABO and OSC by November 1, 2022. L. Farrell reviewed the timeline to emphasize the need for a quorum at the October 27, 2022 Board meeting. We are aware that there are conflicts with the upcoming meetings, so we will be sending out a poll early to ensure that we can obtain quorums or have enough time to reschedule if necessary.

3c. GGLDC 2022 Budget Assumptions – L. Farrell presented the cash projections through the end of 2022 and cash budgets for 2023 to the Committee. Some of the significant items noted are as follows:

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- At the end of 2022, including the GAB, LLC, it is anticipated that there will be approximately \$5.3M of cash on hand, of which \$3.36M is included in strategic investment funds, which is reviewed and discussed quarterly.
- Most of the activity included is normal operating activity.
- The Genesee CARES grant will be closed out.
- A conservative approach has been taken and no land sales have been projected.

L. Farrell then reviewed the 2023 budget information for each fund in detail with the Committee. The significant items discussed are outlined in the comments section for each cash budget, included with Committee meeting materials. For the GGLDC, the cash budget is completed first. It is then converted to accrual basis. The Authorities Budget Office requires the accrual budget to be entered into PARIS.

L. Farrell asked Committee members to contact her if they have any other suggestions or questions regarding the drafted budget. L. Farrell shared that a final version of the 2023 cash budget, along with the accrual budget, will be brought forward at the next Audit & Finance Committee meeting for approval. Any changes made to the budget assumptions will be reviewed in detail at that time.

3d. Auditor Selection – It is required that the audit partner on the engagement is changed every five years. The auditing firm does not need to change, only the audit partner in charge. There is another partner at Mostert, Manzenaro & Scott, LLC that could complete the audit; however, the GGLDC previously decided it would go out to bid for auditing services after David Brownell from Mostert, Manzenaro & Scott, LLC completed five years as engagement partner in charge. Therefore, L. Farrell will be submitting a Request for Proposal for auditing services.

3e. Insurance Renewal – At the end of 2020, the GGLDC did an RFQ for insurance brokers. Tompkins Insurance remained the GGLDC's broker for General Liability. Lawley remained the GGLDC's broker for D&O Insurance and was also selected as the broker for Cyber Insurance. The Committee requested that staff contact J. Teresi at Tompkins Insurance to request quotes from multiple insurance companies for the January 1, 2023 General Liability insurance renewal.

3f. Commercial Cleaning Services Additional 2022 Services – Commercial Cleaning Services of WNY, Inc. (CCS) has provided the GGLDC with a quote for waxing of the floors and cleaning of the tile/grout in the bathrooms. Although this expenditure is not over \$5,000, total payments to this company will be over \$5,000 when combined with the general cleaning services that the company already provides. The GGLDC approved a contract with Commercial Cleaning Services of WNY, Inc. for general cleaning services not to exceed \$14,000 in 2022. These additional services are \$1,199.64 (floor waxing) and \$495 (tile/grout cleaning). We have requested quotes for these services in the past, but recently the company has been very aggressive and has been offering a lower rate as we are a current customer. Previously these expenses were well over \$2,000.

Fund Commitment: The total expenditures for these services should not exceed \$1,700 and will be paid out of the GGLDC, under MedTech Center site maintenance. This expense is lower than what was budgeted for these services for 2022.

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T. Felton made a motion to recommend to the full Board the approval of the Additional 2022 Commercial Cleaning Services not to exceed \$1,700 as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

- T. Felton - Yes
- P. Battaglia - Yes
- T. Bender - Absent
- D. Cunningham - Yes

The item was approved as presented.

3g. 2023 General Cleaning Services – During 2022, staff reached out to four cleaning companies to obtain quotes for 2023 cleaning services. Commercial Cleaning Services of WNY, Inc., the current company being used, has been offering a competitive price and we are satisfied with the services.

Fund Commitment: Up to \$14,500, plus reimbursement for supplies; MedTech Centre site maintenance; included in the proposed 2023 GGLDC Budget.

P. Battaglia made a motion to recommend the full Board the approval of 2023 Commercial Cleaning Services not to exceed \$14,500, plus reimbursement for supplies as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

- T. Felton - Yes
- P. Battaglia - Yes
- T. Bender - Absent
- D. Cunningham - Yes

The item was approved as presented.

3h. Land Lease Rates – M. Masse presented the proposed schedule for the land lease rates that were included with the meeting materials. M. Masse stated that C. Yunker stated that the rates were a little low but in line with the national average.

Location	Term	Rate/Acre
Agri-Business Park	One year	\$ 110.00
MedTech Centre	One year	\$ 70.00

Fund commitment: None.

T. Felton made a motion to recommend to the full Board the approval of the Land Lease Rates as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

- T. Felton - Yes
- P. Battaglia - Yes
- T. Bender - Absent
- D. Cunningham - Yes

The item was approved as presented.

3i. Quotes for Lighting Replacement – The GGLDC asked seven companies for bids to replace the current lighting fixtures in the GCEDC offices in suite 106, the Innovation Zone and the lighting in UMMC's pool area:

1. Declined to bid – Humphrey Electric
2. Declined to bid – Gargano Electric
3. Declined to bid – Henry Cook
4. Declined to bid – Tambe Electric
5. Declined to bid – RJN Electric
6. \$34,566.31 - Severino Electric
7. \$15,278.00 - Gilligan Electric

Fund Commitment: \$15,278.00

P. Battaglia made a motion to recommend to the full Board the approval of the contract with Gilligan Electric not to exceed \$15,278 as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Absent
D. Cunningham – Yes

The item was approved as presented.

3j. Construction Lay Down Agreement with Plug Power – As part of their construction of their hydrogen facility, Plug Power would like to utilize the 1.8-acre parcel directly to the east of their site as a construction lay down area. They will fence off the hold and haul tank area as well as grade and stone the rest of the acreage. Plug will be responsible for all DEC permits and compliance.

Fund Commitment: None.

T. Felton made a motion to recommend approval of the Construction Lay Down Agreement with Plug Power as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Absent
D. Cunningham – Yes

The item was approved as presented.

26

6

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4. ADJOURNMENT

P. Battaglia made a motion to adjourn at 5:04 p.m., seconded by T. Felton and passed unanimously.

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7

Genesee CARES - Status of Grant Disbursements & Eligible Reimbursements as of Oct. 21 2022

Applicant	ID	Location	Awarded Funding Level	Disbursement Request #6 - Submitted to OCR	Disbursed Funding to Businesses as of 10/13	Remaining Available Award to Request for Disbursement	Full Time Jobs Supported by CARES	Part Time Jobs Supported by CARES
First Wave Technology	1	Batavia - Town	\$25,000		\$25,000	\$0	1	
Sweet Betty's	2	LeRoy	\$20,000		\$20,000	\$0		3
Pro Construction	3	Bergen	\$25,000		\$25,000	\$0	1	
Red Roof Inn	4	Batavia - Town	\$25,000		\$25,000	\$0	1	
Terry Hills	5	Batavia - Town	\$75,000	\$75,000	\$0	\$0		8
La Quinta	6	Batavia - Town	\$25,000		\$25,000	\$0	1	
Hodgins Engraving	7	Batavia - Town	\$60,000		\$60,000	\$0	3	
Rivers Performance	8	Batavia - Town	\$10,000		\$10,000	\$0	1	
Chaps Elba Diner	9	Elba	\$50,000	\$50,000	\$0	\$0	2	4
Craft Cannery	10	Bergen	\$60,000		\$60,000	\$0	3	1
Sikes Enterprises	11	Batavia - City	\$25,000		\$25,000	\$0	1	
New Caryville Inn	12	Oakfield	\$25,000		\$25,000	\$0		3
Center Street Smokehouse	13	Batavia - City	\$25,000		\$6,445	\$18,555		4
Smokin Eagle BBQ	14	LeRoy	\$50,000		\$50,000	\$0	2	
John's Service	15	Batavia - City	\$25,000	\$6,757	\$14,541	\$3,703	1	
Alleghany Services	16	Basom	\$60,000		\$60,000	\$0	3	
Eden Café	17	Batavia - City	\$25,000		\$25,000	\$0	1	
Copperhead Creek Bar	18	Batavia - City	\$75,000		\$40,300	\$34,700	3	
Byron Hotel & Trailhouse	19	Byron	\$50,000		\$50,000	\$0	1	2
Empire Hemp	20	Batavia - City	\$15,000		\$0	\$15,000	1	
Fava Brothers Lawn Care	21	Byron	\$60,000		\$60,000	\$0	2	6
The Spa at Artemis	22	Batavia - City	\$65,000		\$65,000	\$0	2	3
Totals			\$875,000	\$131,757	\$671,285	\$71,958	30	34
				15%	77%	8%		

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Genesee Gateway Local Development Corp.
September 2022 Dashboard
Balance Sheet - Accrual Basis

	<u>9/30/22</u>	<u>8/31/22</u>	[Per Audit] <u>12/31/21</u>
ASSETS:			
Cash - Unrestricted	\$ 592,424	\$ 566,322	\$ 503,196
Cash - Restricted (A) (1)	681,685	1,327,755	588,161
Cash - Reserved (B) (2)	1,771,035	1,757,379	1,447,826
Cash - Subtotal	<u>3,045,144</u>	<u>3,651,456</u>	<u>2,539,183</u>
Grants Receivable	4,405	4,405	34,980
Accounts Receivable	3,331	3,067	8,059
Loans Receivable - Current Portion	425,149	277,765	281,792
Other Current Assets (3)	12,284	15,019	10,439
Total Current Assets	<u>3,490,313</u>	<u>3,951,712</u>	<u>2,874,453</u>
Land Held for Dev. & Resale	2,182,234	2,182,234	2,556,367
Buildings & Improvements	7,202,120	7,202,120	7,202,120
Furniture, Fixtures & Equipment	46,599	46,599	46,599
Total Property, Plant & Equip.	<u>9,430,953</u>	<u>9,430,953</u>	<u>9,805,086</u>
Less Accumulated Depreciation	<u>(2,300,902)</u>	<u>(2,284,527)</u>	<u>(2,153,059)</u>
Net Property, Plant & Equip.	<u>7,130,051</u>	<u>7,146,426</u>	<u>7,652,027</u>
Loans Receivable - Noncurrent Portion (Net of \$176,545 Allow for Bad Debt at 9/30/22 & 8/31/22 and \$201,229 at 12/31/21)	1,195,895	990,359	764,495
Equity Investment in Genesee Agri-Business, LLC (4)	2,562,240	2,562,240	2,562,240
Other Assets	<u>3,758,135</u>	<u>3,552,599</u>	<u>3,326,735</u>
Total Assets	<u>14,378,499</u>	<u>14,650,737</u>	<u>13,853,215</u>
LIABILITIES:			
Accounts Payable (5)	97,208	70,201	46,279
Unearned Revenue (6)	4,889	5,099	56,571
Security Deposits	109,944	109,944	109,944
Loans Payable - Current Portion	85,657	85,372	76,328
Bonds Payable - Current Portion	152,583	152,421	148,743
Total Current Liabilities	<u>450,281</u>	<u>423,037</u>	<u>437,865</u>
Loans Payable - Noncurrent Portion	2,113,893	2,121,162	2,178,456
Bonds Payable - Noncurrent Portion	2,394,082	2,407,954	2,519,445
Total Noncurrent Liabilities	<u>4,507,975</u>	<u>4,529,116</u>	<u>4,697,901</u>
Total Liabilities	<u>4,958,256</u>	<u>4,952,153</u>	<u>5,135,766</u>
EQUITY	<u>\$ 9,420,243</u>	<u>\$ 9,698,584</u>	<u>\$ 8,717,449</u>

Significant Events:

1. Cash Restricted - OCR grant funds supporting Upstate Niagara were received in August and disbursed in September (\$734K).
2. Cash Reserved - YTD increase due to the Fancher land sale.
3. Other Current Assets - Prepaid Cyber, D&O, and general liability insurance.
4. Equity Investment in Genesee Agri-Business, LLC - Ties to corresponding GAB, LLC financial statements.
5. Accounts Payable - Grant for continuing Economic Development Program Support, MedTech Centre Property Management and Adecco brokerage fees.
6. Unearned Revenue - Loan interest and MedTech Centre rent received in advance.

(A) Restricted = OCR Grant funds, Community Benefit Agreement (CBA) Funds, Security Deposits, USDA Debt Sinking Fund.

(B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Metropolitan Area Redevelopment Loan Funds, Grant Funds.

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**Genesee Gateway Local Development Corp.
September 2022 Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2022	2022
	9/30/22	9/30/21	2022	2021	Board Approved Budget	YTD % of Budget
Operating Revenues:						
Grants (1)	\$ 262,061	\$ -	\$ 2,129,368	\$ 50,000	\$ 932,648	228%
Interest Income on Loans	1,641	1,662	15,600	14,769	19,940	78%
Rent	62,618	59,289	557,157	542,235	738,695	75%
Common Area Fees - Parks	-	-	500	500	500	100%
Fees	7,340	-	17,320	3,000	-	N/A
Other Revenue	53	-	1,197	159	-	N/A
Land Sale Proceeds (2)	-	-	304,101	337,500	-	N/A
Total Operating Revenues	333,713	60,951	3,025,243	948,163	1,691,783	
Operating Expenses:						
Operations & Maintenance	9,279	9,452	100,647	96,181	209,801	48%
Professional Services	7,537	9,026	108,199	82,633	162,192	67%
Econ. Dev. Prog. Support Grant	25,000	25,000	225,000	225,000	300,000	75%
Site Development Expense	4,836	-	4,836	14,625	93,000	5%
Cost of Sales (2)	-	-	383,004	621,489	-	N/A
Grant Expense (3)	536,061	-	1,233,361	658,145	819,648	150%
Real Estate Dev. (Capitalized)	-	-	-	100	15,000	0%
Buildings/Furniture/Equip. (Capitalized)	-	-	-	-	5,000	0%
Balance Sheet Absorption	-	-	-	(100)	(20,000)	0%
Depreciation	16,375	16,327	147,843	146,942	197,203	75%
Total Operating Expenses	599,088	59,805	2,202,890	1,845,015	1,781,844	
Operating Revenue (Expense)	(265,375)	1,146	822,353	(896,852)	(90,061)	
Non-Operating Revenues (Expenses):						
Other Interest Income	224	183	1,846	2,315	1,600	115%
Interest Expense	(13,190)	(14,176)	(121,405)	(126,380)	(160,518)	76%
Total Non-Operating Exp.	(12,966)	(13,993)	(119,559)	(124,065)	(158,918)	
Change in Net Assets	(278,341)	(12,847)	702,794	(1,020,917)	(248,979)	
Net Assets - Beginning	9,698,584	8,890,218	8,717,449	9,898,288		
Net Assets - Ending	\$ 9,420,243	\$ 8,877,371	\$ 9,420,243	\$ 8,877,371		

Significant Events:

- Grant Revenue - Darien Lake CBA payment and OCR Grant/Genesee CARES draw received in September; YTD includes OCR Grant/Genesee CARES. Two solar projects closed (Trousedale Solar I & II), OCR grant/loan to HP Hood (\$734K) and Upstate Niagara (\$734K).
- Land Sale Proceeds / Cost of Sales - YTD - J&R Fancher land sale.
- Grant Expense Ops - OCR Grant/Genesee CARES funds received and disbursed in September; YTD includes OCR Grant/Genesee CARES. 50% of OCR grant funds were disbursed to HP Hood and Upstate Niagara as a grant.

Genesee Gateway Local Development Corp.
September 2022 Dashboard
Statement of Cash Flows

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	September 2022	YTD
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Grant Income	\$ 262,061	\$ 2,159,943
Interest Income on Loans	1,633	21,909
Rental Income	62,416	502,901
Common Area Fees - Parks	-	500
Fees	7,340	17,320
Other Revenue	53	1,197
Net Land Sale Proceeds	-	304,101
Operations & Maintenance	(6,770)	(112,560)
Professional Services	(5,568)	(109,805)
Economic Development Program Support Grant	-	(150,000)
Site Development Expense	(4,836)	(23,779)
Cost of Land Sales	-	(8,871)
Grant Expense	(536,061)	(1,233,361)
Issuance of Loans	(367,000)	(734,000)
Repayment of Loans	14,080	159,243
Net Cash Provided (Used) By Operating Activities	(572,652)	794,738
CASH FLOWS USED BY CAPITAL & RELATED FINANCING ACTIVITIES:		
Principal Payments on Bonds & Loans	(20,694)	(176,757)
Interest Paid on Bonds & Loans	(13,190)	(113,866)
Net Cash Used By Capital & Related Financing Activities	(33,884)	(290,623)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income	224	1,846
Net Cash Provided By Investing Activities	224	1,846
Net Change in Cash	(606,312)	505,961
Cash - Beginning of Period	3,651,456	2,539,183
Cash - End of Period	\$ 3,045,144	\$ 3,045,144
RECONCILIATION OF OPERATING REVENUE (EXPENSE) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (265,375)	\$ 822,353
Adjustments:		
Depreciation Expense	16,375	147,843
Decrease in Land Held For Dev. & Resale	-	374,133
(Increase) Decrease in Grants/Accounts Receivable	(264)	35,303
(Increase) Decrease in Other Current Assets	2,735	(1,845)
Increase in Loans Receivable	(352,920)	(574,757)
Increase Operating Accounts Payable	27,007	43,390
Decrease in Unearned Revenue	(210)	(51,682)
Total Adjustments	(307,277)	(27,615)
Net Cash Provided (Used) By Operating Activities	\$ (572,652)	\$ 794,738

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Genesee Gateway Local Development Corp.
September 2022 Dashboard
Balance Sheet - Accrual Basis

	GGLDC 9/30/22	GABLLC 9/30/22	Eliminations	COMBINED	
				9/30/22	Per Audit 12/31/2021
ASSETS:					
Cash - Unrestricted	\$ 592,424	\$ -	\$ -	\$ 592,424	\$ 503,196
Cash - Restricted (A)	681,685	-	-	681,685	588,161
Cash - Reserved (B)	1,771,035	2,554,394	-	4,325,429	3,988,986
Cash - Subtotal	<u>3,045,144</u>	<u>2,554,394</u>	<u>-</u>	<u>5,599,538</u>	<u>5,080,343</u>
Grants Receivable	4,405	-	-	4,405	34,980
Accts Receivable - Current	3,331	-	-	3,331	8,059
Loans Receivable - Current	425,149	-	-	425,149	281,792
Other Current Assets	12,284	-	-	12,284	10,439
Total Current Assets	<u>3,490,313</u>	<u>2,554,394</u>	<u>-</u>	<u>6,044,707</u>	<u>5,415,613</u>
Land & Improvements	2,182,234	1,339,730	-	3,521,964	3,896,097
Buildings & Improvements	7,202,120	-	-	7,202,120	7,202,120
Furniture, Fixtures & Equipment	46,599	-	-	46,599	46,599
Total Property, Plant & Equip.	<u>9,430,953</u>	<u>1,339,730</u>	<u>-</u>	<u>10,770,683</u>	<u>11,144,816</u>
Less Accumulated Depreciation	(2,300,902)	-	-	(2,300,902)	(2,153,059)
Net Property, Plant & Equip.	<u>7,130,051</u>	<u>1,339,730</u>	<u>-</u>	<u>8,469,781</u>	<u>8,991,757</u>
Loans Receivable - Noncurrent	1,195,895	-	-	1,195,895	764,495
Equity Investment in GAB, LLC	2,562,240	-	(2,562,240)	-	-
Other Assets	<u>3,758,135</u>	<u>-</u>	<u>(2,562,240)</u>	<u>1,195,895</u>	<u>764,495</u>
TOTAL ASSETS	<u>14,378,499</u>	<u>3,894,124</u>	<u>(2,562,240)</u>	<u>15,710,383</u>	<u>15,171,865</u>
LIABILITIES:					
Accounts Payable	97,208	-	-	97,208	46,279
Unearned Revenue	4,889	-	-	4,889	56,571
Security Deposits	109,944	-	-	109,944	109,944
Loans Payable - Current Portion	85,657	-	-	85,657	76,328
Bonds Payable - Current Portion	152,583	-	-	152,583	148,743
Total Current Liabilities	<u>450,281</u>	<u>-</u>	<u>-</u>	<u>450,281</u>	<u>437,865</u>
Loans Payable - Noncurrent Portion	2,113,893	-	-	2,113,893	2,178,456
Bonds Payable - Noncurrent Portion	2,394,082	-	-	2,394,082	2,519,445
Total Noncurrent Liabilities	<u>4,507,975</u>	<u>-</u>	<u>-</u>	<u>4,507,975</u>	<u>4,697,901</u>
TOTAL LIABILITIES	<u>4,958,256</u>	<u>-</u>	<u>-</u>	<u>4,958,256</u>	<u>5,135,766</u>
EQUITY	<u>\$ 9,420,243</u>	<u>\$ 3,894,124</u>	<u>\$ (2,562,240)</u>	<u>\$ 10,752,127</u>	<u>\$ 10,036,099</u>

- (A) Restricted = Community Benefit Agreement (CBA) Funds, Security Deposits, USDA Debt Sinking Fund, Grant Funds
(B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Micropolitan Area Redevelopment Loan Funds, Grant Funds

Genesee Gateway Local Development Corp.
September 2022 Dashboard
Profit & Loss - Accrual Basis

DRAFT

	GGLDC		GABLLC		COMBINED	
	<u>9/30/22</u>		<u>9/30/22</u>	Eliminations	<u>9/30/22</u>	Combined <u>YTD</u>
<u>Operating Revenues:</u>						
Grants	\$ 262,061	\$ -	\$ -	-	\$ 262,061	\$ 2,129,368
Interest Income on Loans	1,641	-	-	-	1,641	15,600
Rent	62,618	1,248	-	-	63,866	567,118
Common Area Fees - Parks	-	-	-	-	-	6,794
Fees	7,340	-	-	-	7,340	17,320
Other Revenue	53	-	-	-	53	1,197
Land Sale Proceeds	-	-	-	-	-	304,101
Total Operating Revenues	333,713	1,248	-	-	334,961	3,041,498
<u>Operating Expenses:</u>						
Operations & Maintenance	9,279	-	-	-	9,279	105,194
Professional Services	7,537	-	-	-	7,537	108,199
Econ. Dev. Program Support Grant	25,000	-	-	-	25,000	225,000
Site Development Expense	4,836	-	-	-	4,836	4,836
Cost of Sales	-	-	-	-	-	383,004
Grant Expense	536,061	-	-	-	536,061	1,233,361
Real Estate Development (Capitalized)	-	-	-	-	-	-
Balance Sheet Absorption	-	-	-	-	-	-
Depreciation	16,375	-	-	-	16,375	147,843
Total Operating Expenses	599,088	-	-	-	599,088	2,207,437
Operating Revenue (Expense)	(265,375)	1,248	-	-	(264,127)	834,061
<u>Non-Operating Revenues (Expenses):</u>						
Other Interest Income	224	169	-	-	393	3,372
Interest Expense	(13,190)	-	-	-	(13,190)	(121,405)
Total Non-Operating Rev (Exp)	(12,966)	169	-	-	(12,797)	(118,033)
Change in Net Assets	(278,341)	1,417	-	-	(276,924)	716,028
Net Assets - Beginning	9,698,584	3,892,707	(2,562,240)	-	11,029,051	10,036,099
Net Assets - Ending	\$ 9,420,243	\$ 3,894,124	\$ (2,562,240)	\$ -	\$ 10,752,127	\$ 10,752,127

2023 GGLDC CASH FLOW Plan (Sources / Uses of Funds)

- **\$4.9M Sources of Funds (Cash)**
 - 1/1/23 Beginning Cash = \$2.77M
 - \$819.6K NYS DOT Rail Grant – Genesee Valley Transportation Project [GVAB]
 - \$752.1K Rental Income [MTC Rents, GVAB Park and MTP land leases (including YSG / Batavia Solar), Gateway II ground lease, BETP CAM Charges]
 - \$437.7K Loan Repayments (P&I) [OCR, Ec. Dev. Loan Fund, Batavia Micropolitan Area Redevelopment Loan Fund]
 - \$93K Community Benefit Agreement (CBA) [Annual Payments end 2027] [BETP]
 - \$10K NYS Office of Community Renewal (OCR) Grant – covers grant consulting services [Ops]
 - \$1,400 Bank Interest

- **\$2.6M Uses of Funds (Cash):**
 - **\$496.2K Operations** – Economic Development Program Support Grant, Workforce Development Initiatives, Audit/Tax/Grant Professional Services, and Insurance
 - **\$1.5K Gateway II** – Site Maintenance, Special District Fees, and Insurance
 - **\$494.9K Buffalo East Tech Park** – Wastewater Treatment Facility Upgrades, Gravel Driveway/Path, Site Maintenance, Special District Fees, and Insurance
 - **\$826.6K Ag Park** – NYS DOT Rail Grant Pass-Through, Insurance, Site Maintenance
 - **\$6.7K Upstate Med & Tech Park** - Site Maintenance, Special District Fees
 - **\$733.5K Upstate MedTech Centre** – Building/Common Area Maintenance, Supplies, Utilities, Special District Fees, Property Management, Insurance, Debt Service, Brokerage Fees (Adecco), Restriping/Resurfacing Parking Lot, Partial Conversion to LED Lighting, Tractor Replacement, Shed, Heating/Cooling Upgrades
 - **\$450 WNY STAMP** – Special District Fees, Insurance
 - **\$0K Economic Development Loan Fund**
 - **\$0K Batavia Micropolitan Area Redevelopment Loan Fund**

- **Year End Cash Balance: \$2.3M**
 - Includes \$583.3K Unrestricted Funds
 - Includes Restricted and Reserved Funds:
 - \$604.9K Reserved for Strategic Investments
 - \$833.3K Reserved Loan Funds
 - \$300.5K Restricted MTC Security Deposits & USDA Bond Sinking Fund

2023 GAB, LLC CASH FLOW Plan (Sources / Uses of Funds)

- **\$2.582M Sources of Funds (Cash)**
 - 1/1/23 Beginning Cash = \$2.56M (Reserved for Strategic Investments)
 - \$21.6K GVAB Park CAM Charges and Rent
 - \$1,000 Bank Interest

- **\$4.9K Uses of Funds (Cash):**
 - Special District Fees and Tax Filing Fee

- **Year End Cash Balance: \$2.577M** (Reserved for Strategic Investment Funds)

GGLDC & GAB, LLC Consolidated

4 Year Budget 2023 - 2026

GGLDC BOARD APPROVED:

	2023 Budget	2024 Budget	2025 Budget	2026 Budget
1 Revenues				
2 Bank Interest	2,380	2,451	2,525	2,601
3 Loan Interest	15,992	11,685	9,576	7,743 *
4 Rent / CAM Charges	773,666	795,556	818,928	842,998 *
5 Grant CBA - BETP	93,000	93,000	93,000	93,000 *
6 Grants Other	829,648	0	0	0 *
7				
8 Total Revenues	1,714,686	902,693	924,029	946,341
9				
10 Expenses				
11 Insurance	41,350	42,591	43,868	45,184
12 Utilities	23,000	23,690	24,401	25,133
13 Depreciation	194,235	200,062	206,064	212,246
14 Economic Dev. Program Support Grant	300,000	300,000	300,000	300,000 *
15 Professional Services - Operations	49,000	50,470	51,984	53,544
16 Supplies	1,400	1,442	1,485	1,530
17 Miscellaneous Workforce Dev.	76,000	0	0	0
18 Site Maintenance	85,100	87,653	90,283	92,991 *
19 Brokerage Fees	360	0	0	0
20 MTC Property Management	87,146	89,760	92,453	95,227
21 Property Taxes / Special District Fees	15,840	16,315	16,805	17,309
22 Interest Expense	152,619	144,625	136,005	127,275 *
23 Site Development	474,156	93,000	93,000	93,000 *
24 Grant Expense	869,648	0	0	0 *
25 Fees	25	26	27	27
26 Real Estate Development	135,000	0	0	0 *
27 Balance Sheet Absorption	(135,000)	0	0	0 *
28				
29 Total Expenses	2,369,879	1,049,634	1,056,374	1,063,465
30				
31 Net Income (Loss)	(655,193)	(146,941)	(132,345)	(117,124)

* 3% increase for most line items 2024-2026, unless shaded.

**GGLDC Consolidated
 4 Year Budget 2023 - 2026
 GGLDC BOARD APPROVED:**

	2023 Budget	2024 Budget	2025 Budget	2026 Budget
¹ Revenues				
² Bank Interest	1,380	1,421	1,464	1,508
³ Loan Interest	15,992	11,685	9,576	7,743 *
⁴ Rent / CAM Charges	752,078	773,594	796,584	820,262 *
⁵ Grant CBA - BETP	93,000	93,000	93,000	93,000 *
⁶ Grants Other	829,648	0	0	0 *
⁷				
⁸ Total Revenues	1,692,098	879,701	900,624	922,513
⁹				
¹⁰				
¹¹ Expenses				
¹² Insurance	41,350	42,591	43,868	45,184
¹³ Utilities	23,000	23,690	24,401	25,133
¹⁴ Depreciation	194,235	200,062	206,064	212,246
¹⁵ Economic Dev. Program Support Grant	300,000	300,000	300,000	300,000 *
¹⁶ Professional Services	49,000	50,470	51,984	53,544
¹⁷ Supplies	1,400	1,442	1,485	1,530
¹⁸ Miscellaneous Workforce Dev.	76,000	0	0	0 *
¹⁹ Site Maintenance	85,100	87,653	90,283	92,991
²⁰ Brokerage Fees	360	0	0	0 *
²¹ MTC Property Management	87,146	89,760	92,453	95,227
²² Property Taxes / Special District Fees	10,990	11,320	11,659	12,009
²³ Interest Expense	152,619	144,625	136,005	127,275 *
²⁴ Site Development	474,156	93,000	93,000	93,000 *
²⁵ Grant Expense	869,648	0	0	0 *
²⁶ Real Estate Development	135,000	0	0	0 *
²⁷ Balance Sheet Absorption	(135,000)	0	0	0 *
²⁸				
²⁹ Total Expenses	2,365,004	1,044,613	1,051,202	1,058,138
³⁰				
³¹ Net Income (Loss)	(672,906)	(164,912)	(150,578)	(135,626)

* 3% increase for most line items 2024-2026, unless shaded.

**GAB,LLC
4 Year Budget 2023 - 2026
GGLDC BOARD APPROVED:**

	2023 Budget	2024 Budget	2025 Budget	2026 Budget
<u>Revenues</u>				
² Bank Interest	1,000	1,030	1,061	1,093
³ Loan Interest	0	0	0	0
⁴ Rent / CAM Charges	21,588	21,962	22,344	22,736
⁵ Grant CBA - BETP	0	0	0	0
⁶ Grants Other	0	0	0	0
⁷				
⁸ Total Revenues	22,588	22,992	23,405	23,829
⁹				
¹⁰				
<u>Expenses</u>				
¹² Insurance	0	0	0	0
¹³ Utilities	0	0	0	0
¹⁴ Depreciation	0	0	0	0
¹⁵ Economic Dev. Program Support Grant	0	0	0	0
¹⁶ Professional Services	0	0	0	0
¹⁷ Professional Services - Workforce Dev.	0	0	0	0
¹⁸ Supplies	0	0	0	0
¹⁹ Site Maintenance	0	0	0	0
²⁰ Brokerage Fees	0	0	0	0
²¹ MTC Property Management	0	0	0	0
²² Property Taxes / Special District Fees	4,850	4,996	5,145	5,300
²³ Interest Expense	0	0	0	0
²⁴ Site Development	0	0	0	0
²⁵ Grant Expense	0	0	0	0
²⁶ Fees	25	26	27	27
²⁵ Real Estate Development	0	0	0	0
²⁶ Balance Sheet Absorption	0	0	0	0
²⁷				
²⁸ Total Expenses	4,875	5,021	5,172	5,327
²⁹				
³⁰ Net Income (Loss)	17,713	17,971	18,233	18,502

* 3% increase for most line items 2024-2026, unless shaded.

3d

17

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Updated through 9.30.22 [10.19.22]

**Genesee Gateway Local Development Corp. (GGLDC)
Strategic Investments - SUMMARY
Fiscal Years 2022 - 2026**

	2022	2023	2024	2025	2026	5 Yr Totals:	Comments
Sources of Funds: Available for GGLDC Project Investments & Operations Support							
Opening GGLDC "Reserved for Strategic Investments" Cash Balances	3,366,056	3,050,617	2,994,472	2,888,652	2,655,287	3,366,056	Includes loan repayments from: HP Hood \$500K loan (March 2019); Freightliner \$234K loan (July 2019); HP Hood \$367K loan (Feb 2022); Upstate Niagara \$367K loan (Sept 2022) Reduced by Due To/From activity (\$304K Gross Proceeds)
NYS Homes & Community Renewal Loan Repayments	143,285	294,020	274,345	146,800	146,800	1,005,250	
Fancher 2022 Land Sale - Net Proceeds	160,160					160,160	
Other:							
Solar Projects - Funding for Workforce Development & Econ. Dev. Program Support	50,000					50,000	Solar projects agree to pay \$25K each at the completion of their projects to support Workforce Development Initiatives, along with the overall ED Program. Ten community solar projects have closed to date.
Workforce Development Institute Grant	10,000					10,000	Supported Cornell in High School Initiative
Genesee County Chamber of Commerce CDBG Loan Repayments	1,750					1,750	Represents actual collections only - opportunity for future loan payments to be received. (Principal balances @9.30.22 - Caccamise \$6,223; Kanaley \$9,260 (in collections)) Borrowed from and to be repaid to strategic investment funds; Majority used to repay loan from GCEDC related to BETP land purchase; June 2022 Fancher land sale repaid amount due from BETP fund.
Internal Borrowings/Repayments - Due to Strategic Investment Funds	137,382					137,382	
Total Sources of Funds	3,868,633	3,344,637	3,268,817	3,035,452	2,802,087	4,730,598	
Uses: Strategic and Operational Investments:							
Real-Estate Development / Shovel-Ready Site Development Related:							
Other						5 Yr Totals:	Comments
Reserved Funds: Batavia Micropolitan Area Community Redevelopment Fund - Actual							\$500,000 Housing Directional Investment repurposed to a committed investment for the purpose of establishing the Batavia Micropolitan Area Redevelopment Fund [\$100K loaned in 2014/\$150K loaned in 2017/\$120K loaned in May 2020]. (Amount reserved includes cash remaining from original \$500K commitment, plus interest earned on reserved funds.)
Other	(134,711)					(134,711)	Engineering, bidding, construction inspection for drainage solution at the Ag Park.
Other	(23,779)					(23,779)	
Other	(100,000)					(100,000)	
Subtotal Real-Estate Development / Shovel-Ready Site Development	(258,490)					(258,490)	

18

3f

Updated through 9.30.22 [10.19.22]

**Genesee Gateway Local Development Corp. (GGLDC)
Strategic Investments - SUMMARY
Fiscal Years 2022 - 2026**

	2022	2023	2024	2025	2026	5 Yr Totals:	Comments
Economic Development Program Support:							
Economic Development Program Grant (GGLDC to GCEDC)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(1,500,000)	Approvals necessary for 2023 forward.
LDC Operations Costs & Site Infrastructure Maint. (excluding MTC)	(85,000)	(85,000)	(85,000)	(85,000)	(85,000)	(425,000)	Memo Only - Funds insurance, mowing, Fire District fees/property taxes, GGLDC audit fee, legal fees and other misc operating expenses (unreimbursable H. Sichernan services, GABLLC operating expenses, etc).
Subtotal Investments in Economic Development Program	(385,000)	(385,000)	(385,000)	(385,000)	(385,000)	(1,925,000)	
Strategy, Workforce Development & Entrepreneurship:							
Edge Factor Membership Support / Mechatronics / STEM Activities Support / Other WFD Initiatives	(1,447)					(1,447)	The Board authorized commitment of 50% of the Pearl Solar funding toward Workforce Development Initiatives.\$25K committed in 2019.
BOCES - Purchase of Training Equipment & Working Capital	(25,855)					(25,855)	WFD Agreement with BOCES approved 3.25.21
Training - HP Hood & Upstate Niagara	(50,000)					(50,000)	WFD Agreements with HP Hood and Upstate Niagara approved 3.25.21
Workforce Development Reserve	(124,750)					(124,750)	Reserve of Cash on Hand from Solar Project funding; Eight community solar projects have closed to date. Funding from two was previously spent/committed. Includes training for Seneca Nation members.
Workforce Development Consultant	(9,402)					(9,402)	Board authorized - continued efforts for workforce development consultant as critical pillar to GCEDC/GGLDC Tech Based Economic Development Model. Any eligible funding secured will be used to offset this appropriation/funding. [Contract runs Aug-Aug; Final Contract ended Aug 2022; 2023 activity will be undertaken by GCEDC]
Subtotal Workforce Development & Entrepreneurship Investments	\$ (211,454)	\$ -	\$ (30,000)	\$ (30,000)	\$ (30,000)	(301,454)	
Other Cash Activity:							
Common Area Charges - GVAB & BETP	\$ 6,794	\$ 6,794	\$ 6,794	\$ 6,794	\$ 6,794	33,970	
Land Lease Payments	\$ 28,041	\$ 28,041	\$ 28,041	\$ 28,041	\$ 28,041	140,205	
Internal (Borrowings) Repayments - thru date of worksheet							
Interest Income	\$ 2,093					2,093	
Subtotal - Other	\$ 36,928	\$ 34,835	\$ 34,835	\$ 34,835	\$ 34,835	\$ 176,268	
Total Uses of Funds	(818,016)	(350,165)	(380,165)	(380,165)	(380,165)	(2,308,676)	

19

3F

Updated through 9.30.22 [10.19.22]

Genesee Gateway Local Development Corp. (GGLDC)
Strategic Investments - SUMMARY
Fiscal Years 2022 - 2026

	2022	2023	2024	2025	2026	5 Yr Totals:	Comments
Cumulative Year-End Cash Balances	3,050,617	2,994,472	2,888,652	2,655,287	2,421,922	2,421,922	

Opportunities:

Genesee County Chamber of Commerce CDBG Loan Portfolio - Additional Repayments [Principal balances @9.30.22 - Caccamise \$6,223; Kanaley \$9,260 (in collections)]

YSG Solar - Workforce Development & Ec. Dev. Program Support Funding (\$25K) [Due upon commencement date of construction]

Additional Solar Projects w/ \$25K each committed to Workforce Development & Ec. Dev. Program Support [4 addtl' projects approved by Board]

Land Sales:

- GVAB - La Ferriere

- MTP - Housing Project

Note - Plug Power Community Investment Agreement - \$900K/Year for 20 years - First payment January 2023 [to be tracked separately]

20

Approval of deferred loan agreement with La Fermiere

Discussion: The GGLDC has previously approved a Purchase and Sale Agreement (PSA) with La Fermiere to acquire 20 acres at the Ag Park. That agreement references the payment as being half paid at closing and the other half being covered under the deferred loan agreement attached.

Fund commitment: None.

Committee action request: Recommend approval to the full Board of the deferred loan agreement with La Fermiere.

DEFERRED LOAN AGREEMENT

THIS AGREEMENT, entered into this ____ day of _____, 2022 by and between **GENESEE AGRI-BUSINESS, LLC**, a New York limited liability company having its principal offices 99 MedTech Drive, Batavia, New York 14020 (hereinafter the "Lender"), and **LA FERMIERE INC.** a Delaware corporation with an address of 190 Christopher Columbus Drive, Suite 4A, Jersey City, New Jersey, 07302 (hereinafter the "Borrower")

WITNESSETH:

WHEREAS, Lender has developed and owns parcels of real property within what is commonly known as the Genesee Valley Agri-Business Park located in the Town of Batavia, County of Genesee, State of New York comprising approximately 250 acres ("GVAB"); and

WHEREAS, THE Lender and Borrower have entered into a Purchase And Sale Contract For Lots, Vacant Land and Farms (the "PSA") last dated _____, 2022 (the "Date of Acceptance") for the purchase of approximately 20 acres (the "Property") at the GVAB as more particularly described in the PSA.

WHEREAS, pursuant to the PSA the Lender will provide a purchase money loan (the "Loan") to the Borrower in the amount of \$500,000 to facilitate the purchase of the Property on the terms and conditions below.

NOW, THEREFORE, the parties do hereby agree as follows:

SECTION 1. DEFINITIONS

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement:

1.01 "Application" means the Lender's application for financial assistance to the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (GCEDC) dated _____, 2022 for the Borrower to support the Application, with such Application and submittals being incorporated herein by reference and made a part hereof.

1.02 "Mortgage" means the Mortgage dated as of the date hereof, in effect, between the Borrower and the Lender, in form and substance satisfactory to the Lender.

1.03 "Project" means the activities described in the Application that are to be undertaken by Borrower in connection with its establishment of a new food processing facility on North Ag Park Drive, in the Town of Batavia.

1.04 "Promissory Note" – the Borrower's obligations to pay the Loan shall be evidenced by the Borrower's promissory note in substantially the form of Exhibit A (the "Note").

SECTION 2. LOAN, GRANT, AND SECURITY

2.01 The Commitment. Subject to the terms and conditions of this Agreement and subject to Lender's receipt of the initial \$500,000 payment for the Property, Lender agrees to

make a deferred loan to Borrower in an aggregate principal amount of Five Hundred Thousand and 00/100 dollars (\$500,000.00) (hereinafter the "Deferred Loan"). The Deferred Loan shall have a five (5) -year term, shall be evidenced by a promissory note (the "Note"), shall be secured as herein provided, and shall bear no interest except in the event of a default as provided for in the Note.

2.02 Deferred Loan Repayment. No payments of principal or interest shall be required during the Deferred Loan term. The principal balance of the Deferred Loan and any interest owing thereon shall become due and payable at the end of the Deferred Loan term as specified in the Note.

2.03 Deferred Loan Forgiveness. The Deferred Loan and any interest owing thereon shall be forgiven shall be forgiven ratably (\$100,000.00 per year) on each anniversary date hereof by Lender so long as:

(a) No "Event of Default" as defined at Section 8 of this Agreement shall have occurred and be continuing;

(b) Borrower shall have created at least 27 full time equivalent jobs each 12 month period and 135 full time equivalent jobs prior to the 5 year anniversary of the date of this Agreement; and

(c) Borrower shall be in substantial compliance with all of the covenants, conditions and obligations of this Agreement and any other Financial Assistance Documents (as hereinafter defined).

2.04 Collateral. As security for repayment of the Deferred Loan, Borrower shall give to Lender a first position mortgage interest in the Property of Borrower which shall be subject only to prior liens approved by Lender.

2.05 Authorization to Perfect Security Interest. Lender may execute and file any instrument necessary to perfect its security interest in the collateral described in Section 2.04 of this Agreement without the necessity of Borrower signing such instrument.

SECTION 3. REPRESENTATIONS AND WARRANTIES

In order to induce Lender to enter into this Agreement and to make the Deferred Loan herein provided for, Borrower hereby represents and warrants to Lender that:

3.01 Legal Existence. If an entity, Borrower is duly organized, validly existing and in good standing under the laws of the State of Delaware and has the legal power to own its assets and to transact the business in which it is presently engaged.

3.02 Power and Authorization. Borrower has the authority and legal right to make, deliver and perform this Agreement and the documents evidencing and securing, or otherwise executed in connection with, the Deferred Loan (the "Loan Documents") and to borrow hereunder. No consent of any other party and no consent, license, approval or authorization of, or registration or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement or the Loan Documents.

3.03 No Legal Bar to Loan. The execution, delivery and performance of this Agreement and the Loan Documents will not, to the Borrower's knowledge, violate any provision of any existing law or regulation or of any order or decree of any court or governmental instrumentality, or any mortgage, indenture, contract or other agreement to which Borrower is a party or by which Borrower and any of its property or assets may be bound, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of its properties pursuant to the provisions of any such mortgage, indenture, contract or other agreement.

3.04 No Material Litigation. No litigation or administrative proceedings of or before any court, tribunal or governmental body is presently pending, or, to the knowledge of Borrower, threatened against Borrower or any subsidiary of Borrower or any of its or their properties or with respect to this Agreement or the Loan Documents, which, if adversely determined, would have material adverse effect on the borrowers ability to perform under the Loan Agreement.

3.05 Financial Condition. There have been no material adverse changes in the financial condition or operations of Borrower since the closing date of the latest financial statement furnished by Borrower to Lender, and Borrower is not an endorser or guarantor of any indebtedness or obligation of another not described in the Application or the financial statement previously furnished to Lender.

3.06 No Default; No Pledge of Assets. Borrower is not in default in the payment of any municipal, state or federal tax, and no assets of Borrower are pledged for the payment of any indebtedness except as otherwise disclosed to and approved by Lender.

3.07 Ownership of Properties; Liens. Borrower has good and marketable title to the Property.

3.08 Filing of Statements and Reports. Borrower has filed copies of all statements and reports which, to the knowledge of Borrower, are required to be filed with any governmental authority, agency, commission, board or bureau.

SECTION 4. CONDITIONS OF LENDING

The obligation of Lender to make advances of the Loan is subject to the following conditions precedent to each advance unless waived by Lender:

4.01 Compliance with this Agreement. At the time of the making of the Loan or any advance thereof, Borrower shall have complied, and then be in compliance with, all the terms, conditions, covenants, representations and warranties herein set forth, as set forth in the Application, and as set forth in all documents executed in connection with the Loan including without limitation, the Note, Security Agreement, any subordination agreement, intercreditor agreements, landlord waiver(s), and UCCs, and there shall exist no event of default under any document executed by and between Lender and Borrower evidencing or securing the Loan.

4.02 Entity Action. Lender shall, at the time of the making of the Loan, have received copies of all papers evidencing all action taken by the officers, directors and shareholders of the Borrower, and all legal matters incident to the Loan shall be satisfactory to the counsel for Lender.

4.03 Certifications. Lender shall, at the time of the making of the Loan, have received a certification by a duly authorized officer of Borrower that no material adverse change in the financial condition or operations, if any, of Borrower has occurred since the closing date of the latest financial statement, if any, furnished by Borrower to Lender; and that no suits or proceedings have been instituted against Borrower which in the opinion of Borrower will adversely affect the financial condition or any operations of Borrower.

4.04 Intentionally Deleted.

4.05 Loan Documents. All documents required by this Agreement and required by Lender's counsel which evidence and secure the Loan shall have been executed and delivered to Lender.

4.06 Title Insurance. Intentionally omitted.

4.07 Municipal Compliance. Intentionally omitted.

4.08 Flood Hazard. Intentionally omitted.

4.09 Insurance.

(a) Borrower shall have delivered to Lender evidence of property insurance insuring Borrower's real and personal property, on which Lender is named as a lender loss payee and certificate holder, in form and content acceptable to Lender, and which shall provide for thirty (30) days' notice of cancellation to Lender.

(b) Borrower shall have delivered to Lender evidence of liability insurance on which Lender is named as an additional insured and certificate holder, in form and content acceptable to Lender, and which shall provide for thirty (30) days' notice of cancellation to Lender.

4.10 Other. Such other information and documentation as Lender may reasonably require.

4.11 Fees and Expenses. Borrower shall pay all costs and expenses of Lender incidental to the Loan including, without limitation, Lender's attorney's fees.

SECTION 5. AFFIRMATIVE COVENANTS

Borrower hereby covenants that so long as the Loan remains outstanding and unpaid, Borrower will, unless otherwise consented to in writing by Lender:

5.01 intentionally deleted.

5.02 Payment of Obligations. Pay and discharge at or before maturity, all of its obligations and liabilities, including without limitation tax liabilities, except where the same may be contested in good faith, and will maintain, in accordance with generally accepted accounting principles, appropriate reserves for the accrual of any of the same.

5.03 Maintenance of Properties; Insurance. Keep all properties useful and necessary in the business of Borrower in good working order and condition; maintain, with financially sound and reputable insurance companies, insurance on all of its properties (both real and personal) in

an amount not less than full replacement value, against such risks as are usually insured against in the same general area and by companies engaged in the same or a similar business; name Lender as a lender loss payee on such insurance; and furnish to Lender, upon written request, full information as to the insurance carried.

5.04 Taxes. Pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or on its income or profits or on any of its property prior to the date on which any penalties attach thereto, provided that Borrower shall not be required by this to pay any such tax, assessment, charge or levy, the payment of which is being contested in good faith and by proper proceedings.

5.05 Existence. Maintain its existence and its authority to do business in New York State.

5.06 Inspection of Property, Books and Records. Permit Lender at any reasonable time and as often as may be reasonably desired, to examine and to make copies and abstracts of Borrower's records and books of accounts solely for the purpose of determining or verifying information pertinent to the covenants and conditions of this Loan Agreement.

5.07 Intentionally Deleted

5.08 Notices.

(a) Keep Lender fully informed as to all matters that may affect Lender's security interests, if any, in the Property securing repayment of the Loan or the ability of Borrower to perform the obligations under the Loan Documents.

(b) Furnish to Lender as soon as possible, and in any event within five days after the occurrence of any Event of Default under this Agreement, the statement in writing of any authorized representative of Borrower setting forth the details of such Event of Default and the action which Borrower proposes to take with respect thereto.

(c) Furnish to Lender such other information respecting the condition or operations, financial or otherwise, of Borrower as Lender may from time to time reasonably request.

5.09 Completion of Project. Undertake and complete the Project in accordance with the Application and this Loan Agreement.

SECTION 6. INTENTIONALLY DELETED.

SECTION 7. EMPLOYMENT AND CAPITAL INVESTMENT PERFORMANCE BENCHMARKS

7.01 Definitions. Unless specifically provided otherwise or the context otherwise requires, when used in this Section:

(a) "Covered Jobs" means any and all employment positions created on or after **January 1, 2023**¹ and as a direct result of the Project, notwithstanding any estimates of covered jobs provided by Borrower for the Application.

(b) "Employment and Reporting System" means those forms and instructions, in written and/or electronic format, provided to Borrower by Lender for the purpose of reporting data and information required pursuant to this Section 7.

(c) "Capital Investment" Expenditure of money to fund Borrower's Operations for use in its long-term business goals and objectives including the Borrower's acquisition of fixed assets such as real property, furnishings, fixtures and equipment.

7.02 Job Calculation. In calculating Covered Jobs and the availability of Covered Jobs the following will apply:

(a) Only permanent jobs will be counted; temporary and construction jobs will not be counted.

(b) Jobs of 35 or more hours per week will be considered as one full-time job. Part-time permanent jobs of less than 35 hours per week will be converted to full-time equivalent jobs by dividing the number of part-time hours by 40.

(c) Seasonal jobs will be considered to be permanent jobs if the duration of the working period is long enough to classify the job as the employee's principal occupation.

7.03 Employment and Reporting System. Consistent with the instructions and forms that comprise the Employment and Reporting System, Borrower agrees to:

(a) Maintain data for each applicant for a Covered Job including:

(i) The applicant's name and address;

(ii) The applicant's status with respect to hiring for a Covered Job; and

(b) Maintain data for each Covered Job which is created and filled including:

(i) The job title

(ii) The salary or wage for the job and whether health benefits are offered for the job; and

(iii) A description of the hiring process for the job.

(c) Submit annual reports of the applicants and Covered Job data to Lender.

7.04 Schedule of Employment Positions. Borrower represents that the employment positions created as a result of the Project are expected to be created no later than five (5) years from the date hereto and that at least 27 full time equivalent jobs shall be created each 12 month

¹ Lafermier to provide updated date by which jobs to be created.

period and 135 full time equivalent jobs prior to the 5 year anniversary of the date of this Agreement.

7.05 Right of Inspection. Borrower shall maintain in its files adequate documentation to support the data specified at Section 7.03 of this Agreement. Lender shall, at all reasonable times and upon prior written notice, have access to and the right to inspect and copy all such documentation.

7.06 Capital Investment. Capital Investment shall be evidenced as shown on the Borrower's records and books of accounts. Borrower represents that the Capital Investment made as a result of the Project are expected to be created no later than ²five (5) years from the date hereto and that at least \$5,160,000.00 of Capital Investment shall be made each 12 month period and \$25.8M prior to the 5 year anniversary of the date of this Agreement.

7.07 Materiality of Borrower's Employment Undertaking. The obligations of Borrower set forth in this Section 7 are material obligations the breach of which shall constitute an Event of Default under Section 8 of this Agreement.

SECTION 8. DEFAULT

8.01 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure by Borrower to achieve the Employment and Capital Investment Benchmarks in Section 7 above.

(b) Failure by Borrower to pay any obligations owing under any agreement with the Lender, the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center or the Genesee Gateway Local Development Corporation when due and the continuation of the same for thirty (30) days after receipt by Borrower of written notice of such failure from Lender.

(c) Any representation or warranty made by Borrower in this Agreement or in any report, certificate, financial statement, or other instrument furnished at any time under or in connection with this Agreement shall prove to have been false, misleading, or incorrect in any material respect as of the date made.

(d) Failure by Borrower to comply with any covenant, agreement or obligation contained in this Agreement or any of the Financial Assistance and Loan Documents (except the obligation to pay principal and interest), and the continuation of the same for thirty (30) days after receipt by Borrower of written notice of such failure from Lender.

(e) Borrower or Guarantor shall: (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property; (ii) admit in writing its inability, or be generally unable to pay its debts as such debts become due; (iii) make a general assignment for the benefit of its creditors; (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect); (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against

² LaFermiere to confirm date.

itself in an involuntary case under the Federal Bankruptcy Code; or, (vii) take any action for the purpose of effecting the foregoing.

(f) A proceeding or case shall be commenced against Borrower or Guarantor in any court of competent jurisdiction, seeking: (i) the liquidation, reorganization, dissolution, winding-up, or composition or readjustment of debts of Borrower or Guarantor; (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Borrower or Guarantor or of all or any substantial part of its assets; or, (iii) similar relief in respect of Borrower or Guarantor under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect, for a period of ninety (90) days, or any order for relief against Borrower or Guarantor shall be entered in an involuntary case under the Federal Bankruptcy Code.

(g) There shall be a default in respect of any evidence of indebtedness for money borrowed by Borrower (or with respect to the performance of any obligations of Borrower incurred in connection with any indebtedness for money borrowed) as a result of which the maturity of such indebtedness is accelerated or such indebtedness becomes due prior to its stated maturity.

(h) Borrower shall default under any provision of any document executed in respect to credit facilities now or hereafter existing between it and any lender.

(i) Borrower shall cease its operations at the Property for a continuous period of one hundred eighty (180) days.

(j) An "Event of Default" beyond any applicable grace, cure, or notice periods under any of the Loan Documents shall occur and be continuing.

8.02 Remedies on Default. Whenever any Event of Default referred to in Section 8.01 hereof shall have occurred and be continuing, Lender will have the right to take one or more of the following actions:

(a) Lender or its assigns, upon written notice to Borrower, may cause the entire unpaid principal balance of the Note, and any interest accrued thereon, to become immediately due and payable without any other notice or demand of any kind or any presentment or protest.

(b) Lender or its assigns may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce the performance or observance of any obligations, agreements, or covenants of Borrower under this Agreement.

Any of the foregoing notwithstanding, upon an event of default under section 8.01(d) or (e) of this Agreement, the entire unpaid principal of the Note and any interest accrued thereon, shall become immediately due and payable automatically, and without presentation, demand or notice of any kind.

8.03 Remedies Cumulative. The rights and remedies of Lender under this Agreement shall be cumulative and shall not exclude any other rights and remedies of Lender allowed by law with respect to any default under this Agreement. Failure by Lender to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or

remedies upon default by Borrower hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandamus or other appropriate legal remedy a strict compliance by Borrower with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies.

8.04 No Additional Waiver Implied. In the event that any covenant or agreement contained in this Agreement shall have been breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between Lender and Borrower or any delay or omission of Lender in exercising any rights hereunder shall operate as a waiver.

8.05 Effect on Discontinuance of Proceedings. In the event that any proceeding taken by Lender under this Agreement on account of any Event of Default hereunder shall have been discontinued or abandoned for any reason or shall have been determined adversely to Lender, then and in every such case, Lender shall be restored, respectively, to its former position and rights hereunder, and all rights, remedies, powers, and duties of Lender shall continue as in effect prior to the commencement of such proceedings.

8.06 Agreement to Pay Attorney's Fees and Expenses. In the event that Borrower shall default under any of the provisions of this Agreement and Lender should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of Borrower herein contained, Borrower agrees that it will, on demand, therefore pay to Lender the reasonable fees and disbursements of such attorneys and such other expenses so incurred.

SECTION 9. MISCELLANEOUS

9.01 Notices. All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been given or made three days after having been deposited in the mail, postage prepaid, return receipt requested, or one day after having been delivered to an overnight delivery service, addressed as set forth below or to such other address as may be hereafter designated in writing by the respective parties hereto:

Borrower: La Fermiere, Inc.
 205 North 9th Street
 Brooklyn, NY 11211
 ATTN: Lucas Praticci, VP

With a copy to: Harter Secrest & Emery LLP
 1600 Bausch & Lomb Place
 Rochester, NY 14604
 ATTN: Kelly A. Pronti, Esq.

Lender: Genesee Agri Business, LLC
 Attn: Mark A. Masse
 99 MedTech Drive
 Suite 106
 Batavia, New York 14020

With a copy to: Harris Beach PLLC

99 Garnsey Road
Pittsford, New York 14534
Attention: Francis L. Gorman, III, Esq.

9.02 Further Assurances. Borrower will cooperate with Lender for the purpose of protecting Lender's interest in the Project and the sums due under this Agreement and including, without limitation, the execution of all Uniform Commercial Code financing statements requested by Lender. Lender is authorized if permitted by applicable law to file one or more Uniform Commercial Code financing statements disclosing any security interest in the Project and this Agreement and the sums due under this Agreement without the signature of Borrower or of Lender as attorney in fact for Borrower. Borrower will pay all costs of filing financing, continuation, or termination statements with respect to the Project and this Agreement. Borrower will execute and deliver the instruments and assurances as Lender deems necessary or advisable for the implementation, effectuation, confirmation, or perfection of this Agreement and any rights of Lender hereunder.

9.03 Captions. The captions of the various sections and subsections of this Agreement have been inserted only for the purpose of convenience, and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

9.04 Exhibits. Exhibits shall constitute an integral part of this Agreement.

9.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except that Borrower may not transfer or assign any of its rights or interests hereunder without the prior written consent of Lender.

9.06 Construction. This Agreement and the Note and the rights and obligations of the parties hereunder and thereunder shall be governed by, and construed and interpreted in accordance with the laws of the State of New York. If any of the provisions of this Agreement shall be or become illegal or unenforceable under any law, the other provisions shall remain in full force and effect.

9.07 Interest. Anything in this Agreement or in the Note to the contrary notwithstanding, Lender shall not charge, take or receive, and Borrower shall not be obligated to pay, interest in excess of the maximum rate from time to time permitted by applicable law.

9.08 Prior Agreements Superseded. This Agreement shall completely supersede all other prior understandings or agreements, both written and oral, between Lender and Borrower relating to the Loan.

9.09 Amendments. This Agreement may be amended only with the written consent of Lender and Borrower or their duly authorized agents in writing.

9.10 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York. The Borrower agrees that any action or proceeding to enforce the provisions of this Agreement may be commenced by the Lender in New York State Supreme Court in any county, or in the District Court of the United States in any district in which the Lender has an office, and the Borrower waives personal service of process and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served by registered mail to the Borrower at the

Borrower's address or to such other individual and/or address as provided in written notice from the Borrower to the Lender, or as otherwise provided by the Laws of the State of New York or the United States. The Borrower agrees to waive any and all rights to change the venue of any action or proceeding brought to enforce the Agreement and waives any right to assert any counterclaim or set-off or any defense based upon statute of limitations or claims of laches in any such action or proceeding.

9.11 Indemnification. Borrower shall defend, indemnify, and hold harmless Lender and their respective agents and employees from and against any and all claims, actions, damages, losses, expenses, and costs of every nature and kind, including reasonable attorney's fees, incurred by or asserted or imposed against Lender arising out of Borrower's actions with respect to this Agreement.

[Remainder of page intentionally left blank]

[Signature Page of Lender to Deferred Loan Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized offices as of the day and year first above written.

GENESEE AGRI-BUSINESS, LLC, Lender

By: Genesee Gateway Local Development Corporation
Its: Managing and majority member

By: _____
Name: Donald S. Cunningham
Title: President

STATE OF NEW YORK)
) ss
COUNTY OF GENESEE)

On the _____ day of _____ in the year 2022 before me, the undersigned, a Notary Public in and for said state, personally appeared **DONALD S. CUNNINGHAM**, to me known or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature of Notary Public

[Signature Page of Borrower to Deferred Loan Agreement]

LA FERMIERE INC., Borrower

By: _____
Name:
Title:

STATE OF _____)
) ss
COUNTY OF _____)

On the ____ day of _____ in the year 2022 before me, the undersigned, a Notary Public in and for said state, personally appeared _____, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

PROMISSORY NOTE

\$500,000.00

Batavia, New York
_____, 2022

FOR VALUE RECEIVED, **LA FERMIERE INC.**, a Delaware corporation with offices at 190 Christopher Columbus Drive, Suite 4A, Jersey City, New Jersey 07302 (the Borrower), promises and agrees to pay to the **GENESSEE AGRI-BUSINESS, LLC**, a New York limited liability company having offices at 99 MedTech Drive, Suite 106, Batavia, New York 14020 (the Lender), the principal amount up to, but not exceeding the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00), with interest at the rate of % per annum, provided that such interest shall accrue and be added to the principal balance of this Note until payment is required or forgiven in accordance with the terms of the Loan Agreement as follows:

Commencing on the date hereof, and continuing on the first day of each consecutive month thereafter, for the sixty (60) months of the term of this loan, interest shall accrue and be added to the principal balance of this Note and the entire principal balance of this Note and all interest accrued thereon will be payable in full upon written demand by the Lender upon the occurrence of any event triggering repayment of the loan provided for in the Loan Agreement or an event of default by Borrower under the Loan Agreement or the entire principle balance of this Note and all interest accrued thereon is forgiven pursuant to the terms and conditions of the Loan Agreement.

It is understood and agreed that this Note is delivered pursuant to a certain Loan Agreement (the "Loan Agreement") between Borrower and the Lender, executed contemporaneously herewith, and the terms of said Agreement are incorporated in and made a part of this Note. Reference should be made to said Agreement for events of default.

[No further text on this page; Signature page follows]

BORROWER:

LA FERMIERE INC., a Delaware corporation

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____) ss.

On _____, 2022 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public