

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION
ANNUAL MEETING & REGULAR MEETING MINUTES
Thursday November 16, 2023**

ATTENDANCE	2023												
	1/5	1/26	2/24	3/23	4/27	5/30	6/22	7/27	8/24	9/28	10/26	11/16	12/21
Directors													
Kraham, Jared	P	P	EX	P	EX	P	P	P		EX	P	P	
Berling, Juliet	EX	EX	EX	P	P	EX	P	P		P	P	P	
Burns, Joe	EX	P	P	EX	P	P	EX	EX		EX	EX	EX	
Doyle, Patrick	P	P	P	P	P	P	P	EX		P	EX	P	
Farrell, Susan	P	P	P	P	P	P	EX	P		P	P	P	
Koffman, Betsy	P	P	P	P	P	P	P	P		P	P	P	
Sall, Ron	P	P	P	EX	P	EX	P	EX		P	P	P	
Resciniti, Sophia	NA	P	P	P	P	P	P	EX		P	P	EX	
Seachrist, Brian	P	P	EX	P	P	P	EX	P		P	P	P	
Shager, Chuck	P	P	P	P	P	P	P	P		P	EX	P	
Stento, Frank	P	EX	P	P	P	P	P	P		EX	P	EX	
Stromhaug, Per	P	P	EX	EX	P	P	P	EX		EX	P	P	
Staff													
Sarah Glose	P	P	P	P	P	P	P	P		P	P	EX	
Joel Boyd	P	P	P	P	P	EX	P	P		P	P	P	
Rachel Priest	P	P	P	P	P	P	P	P		P	P	P	
Other													
Steve Carson	NA	P	P	P	EX	P	EX	P		P	P	P	

President Patrick Doyle called the **Annual Meeting** to order at 9:05 AM.

PRESENTATION OF THE 2022-2023 BLDC AUDIT

Jacob Skeval, the Bonadio Group (Via Zoom) presented the findings from the audit of the BLDC financial statements from September 2022 through August 2023. A yellow book audit was completed in accordance with government standards. The auditors plan to issue an unmodified opinion. No deficiencies or material weaknesses were identified in the internal controls or financial statements. J. Skeval summarized key points of the financial statements for the fiscal year.

B. Seachrist entered the meeting at 9:07, P. Stromhaug entered the meeting at 9:08.

COMPLETION OF PUBLIC AUTHORITY ACCOUNTABILITY REQUIREMENTS

The directors reviewed the BLDC mission statement and performance measures.

RESOLUTION 24-5 A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION APPROVING PERFORMANCE MEASURES FOR THE BLDC FOR 2023-2024.

S. Farrell moved, seconded by J. Kraham. The motion was approved (9:0:0).

The directors reviewed the slate of officers and committee members for 2024. B. Koffman asked to join the finance committee.

J. Kraham moved, seconded by R Sall. The motion was approved (9:0:0).

There being no further business, J. Kraham made a motion to adjourn, S. Farrell seconded, and the meeting adjourned (9-0-0) at 9:14 AM.

President Patrick Doyle called the **Regular Meeting** to order at 9:14 AM.

APPROVAL OF THE MINUTES OF THE October 26 REGULAR MEETING

J. Kraham moved, seconded by B. Seachrist. The motion was approved (9:0:0)

PRESENTATION OF THE OCTOBER 2023 TREASURER REPORT

R. Priest presented the financial report. At the end of October 2023, the end of month balance in the Restricted Account was \$ 559,531.39, the end of month balance in the UDAG account was \$689,874.89. There were no new delinquencies.

S. Farrell inquired about the ability to collect the outstanding debt from VMR. The directors discussed conducting a search for outside counsel to address collections.

RESOLUTION 24-4 A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION APPROVING PROPERTY ACQUISITION GUIDELINES.

R. Priest explained that the Authorities Budget Office requires LDCs to have Property Acquisition Guidelines in place.

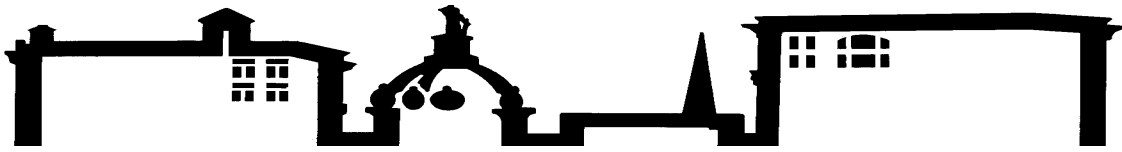
C. Shager moved seconded by S. Farrell. The motion was approved (9:0:0)

Mayor Kraham summarized the City of Binghamton's DRI presentation to the REDC. City Council will vote on the transfer of the former co-generation plant on Charels St. from the City to the BLDC in December. A long-term lease for the BLDC Owned Boscov's building is close to being finalized.

P. Stromhaug stated that projects are needed for the Tech Hub application.

There being no further business, J. Kraham made a motion to adjourn, B. Koffman seconded, and the meeting adjourned (9-0-0) at 9:31 AM.

Ron Sall, Secretary
Binghamton Local Development Corporation



BLDC

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

MONTHLY FINANCIAL REPORT
SEPTEMBER 2023
FISCAL YEAR 9/1/23—8/31/24
CDBG YEAR 49

JARED M. KRAHAM, MAYOR

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
FISCAL ACTIVITY

September 1, 2023 through August 31, 2024

Borrower	Amount	Date Approved	Expended Amount	
Marketing Budget	\$ 25,000.00	June 22, 2023	\$8,061.37	UDAG

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
Restricted Account Annual Income and Expenses- CDBG YEAR 48
September 1, 2022 to August 31, 2023

<u>Beginning Balance CDBG Fiscal Year 47 (2021-2022)</u>	\$87,030.00
Total	\$ 87,030.00

Projected Income

2018-2019 BLDC Restricted Account Projected Loan Income (Principal & Interest)	\$ 65,187.70
2018-2019 BLDC Restricted Account Actual Loan Income (Principal & Interest)	\$ 87,030.00
2019-2020 BLDC Restricted Account Projected Loan Income (Principal & Interest)	\$ 86,727.72
2019-2020 BLDC Restricted Account Actual Loan Income (Principal & Interest)	\$ 14,982.98
2020-2021 BLDC Restricted Account Projected Loan Income (Principal & Interest)	\$ 14,982.96
2020-2021 BLDC Restricted Account Actual Loan Income (Principal & Interest)	\$ 14,982.96
2021-2022 BLDC Restricted Account Projected Loan Income (Principal & Interest)	\$ 14,982.96
2021-2022 BLDC Restricted Account Actual Loan Income (Principal & Interest)	\$ 217,400.48
2022-2023 BLDC Restricted Account Projected Loan Income (Principal & Interest)	
2022-2023 BLDC Restricted Account Actual Loan Income (Principal & Interest)	\$ 238,577.04
2023-2024 BLDC Restricted Account Projected Loan Income (Principal & Interest)	\$ 272,884.98
2023-2024 BLDC Restricted Account Actual Loan Income (Principal & Interest)	\$ 37,041.61

BINGHAMTON LOCAL DEVELOPMENT CORPORATION - REAL PROPERTY ASSET

10 W. State Street & 12 W. State \$136,955.00
445 State St

Charles St. and Satellite Propertie \$435,000.00 Total Purchase Price (\$30,000/acre)
\$50,000 of the total purchase price was paid 5/29/19

Charles St Lot #3 \$186,342.00 Total Purchase Price (\$30,000/acre)
\$20,000 of the total purchase price was paid 6/24/2020

Closing Costs	\$2,684.25
Total Real Property for BLDC	<u>\$760,981.25</u>

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Statement of Income and Expense

Restricted Account

Nov-23

	<u>Nov-23</u>	<u>Year To Date</u>
Beginning of Month Balance	\$ 559,531.39	
Fiscal Year Beginning Balance		\$ 553,334.07
Income		
Loan Interest	\$ 1,113.53	\$ 3,360.20
Bank Interest	\$ 367.82	\$ 1,109.56
Penalties/Late Fees		\$ -
Loan Principal	\$ 1,615.76	\$ 4,824.67
	<hr/>	<hr/>
Total Income	\$ 3,097.11	\$ 9,294.43
Expense		
NYS Tax Filing Fee	\$ -	\$ -
Internal Revenue Service	\$ -	\$ -
Annual Interest Payment to HUD	\$ -	\$ -
Loan	\$ -	\$ -
CDBG	\$ -	\$ -
Misc	\$ -	\$ -
	<hr/>	<hr/>
Total Expense	\$ -	\$ -
Net Gain (Loss)	<hr/>	<hr/>
	\$ 3,097.11	\$ 9,294.43
End of Month Balance	<hr/>	<hr/>
	\$ 562,628.50	\$ 562,628.50
Encumbered For All Loans	\$ -	
Interest committed to HUD 2023-2024 Fiscal Yr.	\$ 6,106.52	
Available Cash	<hr/>	
	\$ 556,521.98	

Checks:

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Accounts Receivable Report

Nov-23

RESTRICTED ACCOUNT

Borrower	Original Loan Amount	Closing Date	Payment Amount	Amount Paid	Balance
REVOLVING LOANS					
Hanrahan Enterprise	\$ 250,000.00	01/31/23	\$ 2,729.29	\$ 2,729.29	\$ 235,726.78
IN DEFAULT:					
VMR Electronics, LLC	\$ 108,000.00	05/04/09	\$ 1,475.90	\$ -	\$ 65,366.19
VMR Realty Management, LLC	\$ 292,000.00	05/04/09	\$ 1,769.07	\$ -	\$ 261,544.52
TOTAL	\$ 650,000.00		\$ 5,974.26	\$ 2,729.29	\$ 562,637.49

Total Active Loans 0

Total Loans 3

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Statement of Income and Expense

UDAG Account

Nov-23

	<u>Nov-23</u>	<u>Year To Date</u>
Beginning of Month Balance	\$689,874.89	
Fiscal Year Beginning Balance		\$674,656.38

INCOME

Principal Paid on Loans	\$ 7,126.90	\$ 19,401.23
Loan Interest	\$ 3,593.03	\$ 9,455.51
Bank Interest	\$ 452.74	\$ 1,362.54
Late Penalties	\$ 67.92	\$ 67.92
Other Income	\$ -	\$ -
Administrative Reimbursement	\$ -	\$ -
Main Street Grant Reimbursement	\$ -	\$ -
Parade Grant	\$ -	\$ -
Total Income	<u>\$11,240.59</u>	<u>\$30,287.20</u>

EXPENSES

Loans	\$ -	\$ -
BLDC-City of Binghamton Contract	\$ -	\$ -
Professional Services	\$ 5,112.00	\$ 6,362.00
Insurance Expense	\$ -	\$ -
Accounting Expense	\$ 2,250.00	\$ 2,250.00
Marketing Expense	\$ 7,733.77	\$ 8,061.37
Property Maintenance Expense	\$ 4,221.00	\$ 4,221.00
Office Supplies	\$ 215.00	\$ 215.00
Community Event	\$ -	\$ 140.00
Payroll Accruals	\$ -	\$ -
Other	\$ 69.98	\$ 69.98
Liabilities Paid	\$ -	\$ 2,110.50
Total Expenses	<u>\$19,601.75</u>	<u>\$23,429.85</u>

Net Gain (Loss)

(\$8,361.16) \$6,857.35

End of Month Balance

\$681,513.73 \$681,513.73

Encumbered For All Loans	\$0.00
Encumbered For Marketing 2023-2024	\$25,000.00
Encumbered for Bus. Restart - Disaster Loans	\$100,000.00
Available Cash	\$556,513.73

Checks: NOV 23

CK 1026 Greater Binghamton Chamber	\$6707.40
CK 1027 Chenango Supply	\$54.37
CK 1028 Bonadio	\$2250.00

CK 1029 Illuminations Lighting \$972.00
CK 1030 Rachel Priest \$ 69.98
CK 1031 AJ Property Care \$2814.00
CK 1032 Barton & Loguidice \$3862.00

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Accounts Receivable Report

Nov-23

UDAG ACCOUNT

Borrower	Loan Amount	Closing Date	Payment Amount	Amount Paid	Balance
Repayment Loans					
142 Court Street, LLC #2	\$ 41,467.98	06/01/17	\$ -	\$ -	\$ 2,264.70
Ellis Brothers	\$ 400,000.00	10/10/18	\$ 2,908.89	\$ 2,908.89	\$ 290,763.78
Emma St., LLC	\$ 140,000.00	04/01/19	\$ 1,031.22	\$ 1,031.22	\$ 103,689.89
Tom Haines	\$ 229,790.00	04/20/18	\$ 1,559.51	\$ 1,559.51	\$ 178,159.99
Renkan Holdings	\$ 200,000.00	09/05/22	\$ 1,931.21	\$ 1,931.21	\$ 181,090.54
Broome County Council of Church	\$ 150,000.00	06/15/20	\$ -	\$ -	\$ 150,000.00
KLAW Industries	\$ 150,000.00	03/10/23	\$ 1,637.57	\$ 3,357.02	\$ 143,370.51
TOTAL	\$ 1,311,257.98		\$ 9,068.40	\$ 10,787.85	\$ 1,049,339.41
Total number of loans		7			
Mini Micro Loans					
Zachary Salisbury - QOLA	\$ 5,000.00	05/23/18	\$ 150.42	\$ -	\$ 1,789.25
Ariel Hendricks CPT LLC	\$ 5,000.00	06/29/20	\$ 147.06	\$ -	\$ 4,071.25
TOTAL	\$ 10,000.00		\$ 297.48	\$ -	\$ 5,860.50
Total Number of Loans		2			
Façade Loans					
The Garland, LLC	\$ 44,438.00	08/31/20		\$ -	\$ 44,438.00
TOTAL	\$ 44,438.00		\$ -	\$ -	\$ 44,438.00
Total number of loans		1			
Total Open Loans	\$ 1,365,695.98		\$ 9,365.88	\$ 10,787.85	\$ 1,099,637.91
	10				\$0.00

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Statement of Income and Expense

Unrestricted Account

Nov-23

	<u>Nov-23</u>	<u>Year To Date</u>
Beginning of Month Balance	\$26,812.92	
Fiscal Year Beginning Balance		\$32,246.94
INCOME		
Application/ Commitment Fee	\$0.00	\$0.00
Filing Fees	\$0.00	\$0.00
Admin Fees (SUNY Broome Contract)	\$367.42	\$367.42
Misc Income	\$0.00	\$0.00
Interest Income	\$16.11	\$58.34
	<hr/>	
Total Income	\$383.53	\$425.76
EXPENSES		
Marketing Expense	\$3,103.59	\$3,103.59
Chamber Events/ GWSA Membership	\$0.00	\$0.00
Columbus Day Parade Expense	\$430.00	\$5,906.25
Loan App Research Expense	\$0.00	\$0.00
Misc. Expenses	\$1,575.00	\$1,575.00
Insurance	\$0.00	\$0.00
BLDC Training	\$0.00	\$0.00
	<hr/>	
Total Expense	\$5,108.59	\$10,584.84
	<hr/>	
End of Month Balance	\$22,087.86	\$22,087.86
	<hr/>	

Checks: NOV 23

1100 Joel Boyd \$430.00

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Statement of Income and Expense

Broome Enterprise Triad - New York State Account

Nov-23

	<u>Nov-23</u>	<u>Year To Date</u>
Beginning of Month Balance	\$75,089.57	
Fiscal Year Beginning Balance		\$0.00
Income:		
State Checks	\$0.00	\$75,089.57
	<hr/>	<hr/>
Total Income	\$0.00	\$75,089.57
	<hr/>	<hr/>
Expense:		
SUNY Broome	\$36,374.65	\$36,374.65
NYS EAP Funding 1% Fee	\$367.42	\$367.42
	<hr/>	<hr/>
Total Expense	\$36,742.07	\$36,742.07
	<hr/>	<hr/>
End of Month Balance	\$38,347.50	\$38,347.50
	<hr/> <hr/>	<hr/> <hr/>

Checks: NOV 23

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Statement of Income and Expense

Mayor's Veterans Initiatives

Nov-23

	<u>Nov-23</u>	<u>Year To Date</u>
Beginning of Month Balance	\$ 17,048.01	
Fiscal Year Beginning Balance		\$ 17,048.01
Income:		
Mudcat Grant	\$ 7,000.00	\$ 7,000.00
NY Veterans of Foreign Wars	\$ -	\$ -
Interest	\$ -	\$ -
	<hr/>	
Total Income	\$ 7,000.00	\$ 7,000.00
Expense:		
Opportunities for Broome	\$ -	\$ -
	<hr/>	
Total Expense	\$ -	\$ -
End of Month Balance	\$ 24,048.01	\$ 24,048.01

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Statement of Income and Expense

GRANT ACCOUNT

Nov-23

	<u>Nov-23</u>	<u>Year To Date</u>
Beginning of Month Balance	\$12,938.76	
Fiscal Year Beginning Balance		\$5,938.76
Income:		
State Funding Main Street Grant	\$0.00	
Mudcat Grant deposit to wrong account	\$0.00	\$7,000.00
	<hr/>	<hr/>
Total Income	\$0.00	\$7,000.00
Expense:		
Main Street Gant Recording w/ Broome Count	\$0.00	\$0.00
Main Street payments to property owners	\$0.00	\$0.00
Mudcat Grant Transfer	\$7,000.00	\$7,000.00
DERO	\$1,126.00	\$1,126.00
	<hr/>	<hr/>
Total Expense	\$8,126.00	\$8,126.00
End of Month Total Grant Account	\$4,812.76	\$4,812.76

Expense Detail: (Paid from 9/1/23 to 8/31/24)

None

CK 1666 DERO- Bike repair kits & Freight

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Delinquent Loan Status - 30 or More Days Overdue

Nov-23

Borrower	Amount Delinquent	Balance	Account
<u>VMR Electronics, LLC</u> Default	\$65,366.19	\$65,366.19	Restricted
<u>VMR Realty Management, LLC</u> Default	\$261,544.52	\$261,544.52	Restricted
<u>Quality of Life</u> Default	\$1,789.25	\$1,789.25	UDAG
<u>Ariel Hendricks CPT LLC</u>	\$4,071.25	\$4,071.25	UDAG
<u>142 Court Street, LLC #2</u>	\$ 2,264.70	\$ 2,264.70	UDAG
Totals	\$335,035.91	\$335,035.91	

NOTE: UDAG Receivables: \$1,099,637.91
 Rest Receivables: \$562,637.49
 The total of outstanding balances in the BLDC portfolio: \$1,662,275.40
 The total of the delinquent outstanding balances are \$335,035.91 **
The current delinquency percentage of the portfolio is: 20.16%

The BLDC Portfolio outstanding balance total is made up of Restricted and UDAG Loans.

Note: These figures do not include late fees or other fees owed

**Effective 01/31/2023 the delinquency percentage of all loans not designated as non-performing is 0.49%

Binghamton Local Development Corporation

December 14, 2023

RESOLUTION 24-6: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION AUTHORIZING THE PRESIDENT TO ENTER INTO A REAL ESTATE OPTION AGREEMENT WITH PURE BEAUTY NY, LLC, FOR A PORTION OF PARCELS 4, 5 AND 6 IN THE CHARLES STREET BUSINESS PARK

WHEREAS, the Binghamton Local Development Corporation (the "BLDC") owns certain real property located at Charles Street, Binghamton, NY, identified as Tax Parcel No. 144.70-1-31.1; and

WHEREAS, a portion of tax parcel 144.70-1-31.1 is identified as lots #4, 5 and 6 (Charles St. Business Park Boundary Survey May 29, 2019) and consists of approximately 8.237 acres; and

WHEREAS, Pure Beauty NY, LLC, a NY Limited Liability Company with an address of 1200 Santee St Suite 902 Los Angeles, CA 90015, desires to acquire an option to purchase a portion of Lots #4, 5 and 6 amounting to 6.5 acres beginning from the southerly street boundary of Emerson Parkway extending south (the "Premises"); and

WHEREAS, the BLDC Board of Directors wishes to grant the option right and privilege to purchase the Premises under the terms and conditions specified in the Real Estate Option Agreement attached hereto and made a part hereof, and as may be approved by legal counsel for the BLDC; and

WHEREAS, Pure Beauty NY, LLC, shall pay the BLDC \$5,000 upon execution of the option for the Initial Option Period; and

WHEREAS, the Initial Option Period shall be six months commencing on the execution date of the Option Agreement;

NOW, THEREFORE, the Board of Directors of the BLDC duly convened at a regular meeting, does hereby:

RESOLVE, that the President of the BLDC is authorized and empowered to execute a Real Estate Option Agreement with Pure Beauty NY, LLC.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at its regular meeting held on December 14, 2023.

Ron Sall, Secretary
Binghamton Local Development Corporation

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (the "Agreement") is made as of the ____ day of _____ 2023, by and between the **BINGHAMTON LOCAL DEVELOPMENT CORPORATION (BLDC)**, a local development corporation, existing under and by virtue of the laws of the State of New York, with an address of 38 Hawley Street, Binghamton, New York 13901 (the "Seller") and **Pure Beauty NY, LLC**, a NY Limited Liability Company with an address of 1200 Santee St Suite 902 Los Angeles, CA 90015 ("Purchaser").

WITNESSETH:

WHEREAS, the Seller owns certain real property located at Charles Street, Binghamton, NY, identified as Tax Parcel No. 144.70-1-31.1; and

WHEREAS, a portion of tax parcel 144.70-1-31.1 is identified as lots #4, 5 and 6 (Charles St. Business Park Boundary Survey May 29, 2019) and consists of approximately 8.237 acres as more particularly described on Exhibit "A" attached hereto and made a part hereof (Lots #4, 5 and 6); and

WHEREAS, the Purchaser wishes to obtain an option for a portion of Lots #4, 5 and 6 amounting to 6.5 acres beginning from the southerly street boundary of Emerson Parkway extending south (the "Premises").

WHEREAS, the Seller is willing to sell the Premises and the Purchaser is willing to purchase the Premises, upon the terms and conditions herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Sale and Purchase.

1.1 The Seller agrees to sell and convey, and the Purchaser agrees to purchase the Premises.

1.2 This sale does not include any right, title and interest, if any, of the Seller in and to any land lying in the bed of any street, road or avenue opened or proposed, in front of or adjoining the Premises, to the center line thereof. Seller will retain title to any such land.

1.3 This sale includes all right, title and interest of the Seller in and to any award made or to be made by reason of eminent domain prior to the closing of title.

2. Purchase Price. The purchase price for the Premises is **Two Hundred Twenty-Seven Thousand Five Hundred and 00/100 Dollars (\$227,500.00)** payable to the BLDC, payable as follows:

2.1 A non-refundable deposit (the "Deposit") of **Five Thousand and 00/100 Dollars (\$5,000.00)** to be paid to Seller upon execution of this Agreement. The Deposit will be released to Seller upon receipt.

2.2 **Two Hundred Twenty-Two Thousand Five Hundred and 00/100 Dollars (\$222,500.00)** to Seller by certified or bank check, upon delivery of the deed as hereinafter provided. If the Due Diligence Period is extended as noted in Section 6.3, **Two Hundred Seventeen Thousand Five Hundred and 00/100 Dollars (\$217,500.00)** to Seller by certified or bank check, upon delivery of the deed as hereinafter provided.

3. Condition of the Premises. The Premises is vacant land. Purchaser is relying solely on its own inspection and investigation to determine whether to purchase the Premises. Purchaser is accepting the Premises in their "AS IS" condition. Seller makes no representations or warranties regarding the condition of the Premises.

4. Subject to Provisions. The Premises are to be transferred subject to the following:

4.1 Such state of facts as an accurate updated survey, as may be provided and paid for by the Purchaser, or personal inspection may disclose, provided the same does not render title unmarketable.

4.2 Premises is **surveyed and** legally subdivided from the larger Tax Parcel 144.70-1-31.1 at the Purchaser's expense.

4.3 Rights of the public in and to that portion of the Premises lying within the bounds of any public street or highway.

4.4 Covenants, restrictions and easements, if any, of record, provided they are not violated by the existing use of the Premises.

4.5 Standard exceptions contained in the form of fee title insurance policy issued by the title insurance company insuring Purchaser's title to the Premises.

4.6 Zoning, building, and other ordinances and regulations, if any, provided they are not violated by the existing use.

5. Adjustments.

5.1 Real property taxes and special assessments, if any, are to be apportioned as of the closing date on the basis of the fiscal year for which assessed. If the closing of the title shall occur before the tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the next preceding year applied to the latest assessed valuation.

5.2 Seller shall obtain a final water and sewer reading not more than two (2) business days prior to or after the time herein set for closing title. Seller shall be responsible for the final water and sewer bills, if any, generated as a result of said meter reading.

5.3 Any errors or omissions in computing apportionments at closing shall be corrected by the parties. This provision shall survive the delivery of the deed for thirty (30) days.

6. Due Diligence Period.

6.1 From the execution date of this Agreement and up until June 15, 2024 (the “Due Diligence Period”) Purchaser may at its own cost and expense: (a) inspect the Premises, including access to and all utilities, (b) perform tests, surveys, and any and all investigations, including, but not limited to a Phase I and/or II environmental studies, soil tests, hazardous material testing, and geotechnical evaluations, (c) apply for financing/grants, (d) perform a thorough use evaluation, (e) apply for and obtain a license through the New York Office of Cannabis Management (OCM), (f) submit an application to the City of Binghamton Planning Commission for site plan and/or special use permit for any proposed use, and to the Zoning Board of Appeals, if necessary, (g) perform a review of Seller’s title to the Premises, and (h) take such other actions or make other applications as Purchaser may deem necessary.

6.2 During the Due Diligence Period, Purchaser shall indemnify, defend, and hold Seller harmless against any and all claims from its employees, contractors or agents, for personal injury, damage to property, or death related to Purchaser’s inspection or other use of the Premises. Prior to entering the Premises, Purchaser, and its contractors and agents, will provide Seller with proof of liability insurance for personal injury in an amount of not less than \$1,000,000.00, naming Seller as an additional insured on a primary, non-contributory basis, together with proof of workers’ compensation insurance, when applicable.

6.3 Purchaser may, at the agreement of both parties, extend the Due Diligence Period until December 15, 2024, by making a non-refundable payment to Seller in the amount of Five Thousand 00/100 Dollars (\$5,000.00). This payment will be released to Seller upon receipt. If Purchaser purchases the Premises as provided herein, then this payment will be a credit against the Purchase Price, leaving a balance due and owing of Two Hundred Seventeen Thousand Five Hundred and 00/100 Dollars (\$217,500.00).

6.4 At any time prior to June 15, 2024, or as extended December 15, 2024, Purchaser may waive the remainder of the Due Diligence Period and proceed to closing, as provided in Paragraph 8 below, or terminate this Agreement for any or no reason at Purchaser’s sole discretion upon written notice to Seller.

7. Title to be Conveyed and Deed. The transfer shall be by Quitclaim Deed. Nonetheless, if Purchaser is unable to obtain title insurance insuring good and marketable title to the Premises, then Purchaser may terminate this Agreement. Seller may, at its sole cost and expense and prior to closing, cure any title defects, including by way of title endorsement.

8. Closing, Transfer of Title and Construction. Transfer of title shall occur on or about forty-five (45) days from the date Purchaser (i) waives the remainder the Due Diligence Period or (ii) if the remainder of the Due Diligence period is not waived, on or about July 30, 2024 (or if extended, February 14, 2025) (the “Closing Date”). The closing will take place at City Hall, 38 Hawley Street, Binghamton, New York, at a mutually convenient time. If Seller refuses to transfer title, the Purchaser’s sole remedy is to receive a lump sum payment of \$5,000.00 or, if the Due Diligence Period is extended, \$10,000.00, as reimbursement for Purchaser’s testing, time, and expenses. Upon such payment, Purchaser will provide Seller with a copy of any and all investigations and testing that may have been performed by Purchaser. If transfer of title does not occur for any reason other than Seller’s refusal to transfer title upon payment of the Purchase Price in full, then no

payment will be due and owing to Purchaser and Purchaser shall not have any recourse against Seller.

9. Transfer Tax and Recording Fees. At the closing, Purchaser shall deliver a check to the order of the recording officer of Broome County for the amount of the New York State and Broome County transfer tax, documentary stamps, if any, and all recording fees and costs.

10. Possession. Possession of the Premises shall be delivered by the Seller to Purchaser at the time of closing.

11. Pre-Closing Inspection. The Purchaser shall have the right to inspect the Premises within twenty-four (24) hours prior to closing to ascertain whether Seller has complied with the terms and conditions of this Agreement.

12. Broker. Seller and Purchaser represent to one another that no real estate brokers were involved in this transaction. The parties agree to indemnify and hold each other harmless against any and all costs and expenses, including reasonable attorney's fees, by any broker claiming that he/she represented the other party. This paragraph will survive the closing of title.

13. Risk of Loss. General Obligations Law Section 5-1311 establishes the risk of loss and obligation of the parties in the event of the destruction or taking by eminent domain of all or a portion of the Premises being conveyed prior to closing.

14. Compliance with Law. All notice or notices of violations of law, rules, statutes, ordinances, orders, requirements, etc. issued by any Federal, State or local government or agency thereof against or affecting the Premises at the date hereof, shall be complied with by Seller and the Premises shall be conveyed free of the same. Upon request of Purchaser, Seller shall furnish the Purchaser with an authorization to make the necessary searches therefore.

15. Seller's Representations/ Warranties. Seller represent and warrant to Purchaser as follows:

15.1 Seller has the right to enter into this Agreement and consummate the transaction contemplated hereby without the consent of others. All resolutions, authorizations and other governmental processes and procedures have been obtained or will be obtained prior to Closing.

15.2 To the best of Seller's knowledge, Seller has marketable title to the Premises and own, free and clear of any liens or encumbrances, the improvements, fixtures, appliances and equipment at the Premises.

15.3 There are no pending or threatened eminent domain or other legal or administrative proceeding affecting the Premises.

15.4 Seller agrees that from the date of execution of this Agreement, to and including the date of closing, it will provide Purchaser with a copy of any notices, citations, complaints, or other directives from agencies having jurisdiction whereby Seller's compliance with environmental statutes, rules or regulations is called into question.

15.5 To the best of Seller's knowledge, Seller has duly complied in all material respects with all applicable laws and regulations of federal, state, and local governments, including but not limited to environmental laws and regulations as they relate to the Premises.

15.6 There is no litigation, actions, investigation, proceedings or notices of the same and Seller, to the best of their knowledge, is not aware of any potential litigation, actions, investigations or proceedings with respect to or relating to the Premises.

15.7 The representations and warranties made by the Seller herein shall be complete and correct on the closing date. The representations and warranties made by the Seller herein shall not survive the closing of title.

15.8 This option agreement shall cease if this document is not signed by the Purchaser after 90 days from the agreement date; control of the property will revert to the Seller.

16. Notices. All notices required or otherwise given under this Agreement shall be deemed effective when received and shall be in writing, delivered, personally or by prepaid U.S. Certified Mail, return receipt requested, Federal Express, or similar overnight courier addressed as follows:

Seller: Mayor of the City of Binghamton as a Director of the BLDC
Binghamton Local Development Corporation
38 Hawley Street – 4th Floor
Binghamton, New York 13901

President
Binghamton Local Development Corporation
38 Hawley Street – 4th Floor
Binghamton, New York 13901

Corporation Counsel as a Director of the BLDC
Binghamton Local Development Corporation
38 Hawley Street – 4th Floor
Binghamton, New York 13901

Purchaser: Attn: Imelda Walavalkar, CEO
Pure Beauty NY, LLC
1200 Santee Street
Suite 902
Los Angeles, CA 90015

17. Miscellaneous.

17.1 This Agreement shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

17.2 This Agreement shall not be recorded in the Clerk's Office in the County in which the property is located.

17.3 Neither this Agreement nor any provision thereof may be waived, changed or canceled except in writing signed by the party to be charged.

17.4 Any and all disputes hereunder will be determined under the laws of the State of New York. Venue for any action will be Broome County, New York.

17.5 It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely expresses their agreement with respect to the subject matter hereof.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the day and year first above written.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

By: _____

Patrick Doyle, President

Dated: _____

PURCHASER:

Pure Beauty NY, LLC

By: _____

Imelda Walavalkar
CEO

Dated: _____

Exhibit "A"

See Attached

DRAFT

Binghamton Local Development Corporation

December 14, 2023

RESOLUTION 24-7: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION AUTHORIZING THE PRESIDENT TO SIGN A NON-BINDING LETTER OF INTENT REGARDING THE LEASE OF 11 COURT STREET TO BOSCOV'S DEPARTMENT STORE, LLC

WHEREAS, Boscov's Department Store, LLC has transmitted a non-binding letter of intent signed by Jim Boscov, Chairman and CEO, to the Binghamton Local Development Corporation (BLDC) containing the terms and conditions it is proposing to enter into a new lease agreement or amendment to the existing lease agreement for its store at 11 Court Street (Parcel ID # 160.40-2-4 and Parcel ID # 160.40-2-5); and

WHEREAS, the Binghamton Local Development Corporation wishes to enter into a new lease agreement or amendment to the existing lease agreement under the terms and conditions included in the letter of intent as may be approved by Counsel for the BLDC;

NOW, THEREFORE, the Board of Directors of the Binghamton Local Development Corporation duly convened at a regular meeting, does hereby:

RESOLVE, that the President of the BLDC is authorized and empowered to execute a non-binding letter of intent regarding the terms and conditions of the lease of 11 Court Street to Boscov's Department Store, LLC.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at its regular meeting held on December 14, 2023.

Ron Sall, Secretary
Binghamton Local Development Corporation

NON-BINDING LETTER OF INTENT

November __, 2023

BINGHAMTON LOCAL DEVELOPMENT CORPORATION (the "BLDC"); (the, "BLDC" and sometimes referred to herein as "Landlord")

c/o: Ms. Jennifer Graznow, Esq. (via email)

Re: BOSCOV'S DEPARTMENT STORE, LLC (hereinafter referred to as "Tenant")
Binghamton, New York

Dear Landlord:

Following the execution of this Letter of Intent ("LOI"), the following are the terms and conditions under which Tenant is proposing to enter into either a new lease agreement or amendment to the Existing Lease (as elected by Landlord and Tenant, the "Agreement") for its store in the above referenced location:

1. DEMISED PREMISES: The Project Property, as defined in the Lease Agreement dated May 1, 2013 (the "Existing Lease").
2. TERM: Ten (10) year term commencing on the date of execution of the Agreement. Tenant shall have the right to extend the Term for two (2) five (5)-year options. If Tenant elects to exercise an option extension, it must give Landlord no less than nine (9) months' prior written notice of same. Notwithstanding the foregoing, if Gross Sales achieved by Tenant in the Demised Premises in a particular calendar year do not meet or exceed \$15 million, then within ninety (90) days following the expiration of such calendar year, Tenant shall have the right, but not the obligation, to terminate the Agreement upon thirty (30) days' prior written notice to Landlord. This provision is subject to Tenant providing Landlord with proof of annual gross receipts of at least \$15 Million for three of the five years prior to March, 2020.

3. RENT:

As Rent for the Demised Premises, Tenant shall pay to Landlord an amount equal to one percent (1%) of Tenant's annual Gross Sales, less the Parking Payment (hereinafter defined). Tenant shall not be required to make any additional payments directly to Landlord. Gross Sales shall be as defined on Schedule 1 attached to this LOI. Tenant shall provide Landlord with quarterly reports of Gross Sales and with annual audited reports of Gross Sales within thirty (30) days of the expiration of such period(s).

4. REIMBURSEMENTS TO TENANT:

A. Public Funds: The following funds shall be paid to Tenant in consideration of Tenant's guiding Landlord's re-development project which consists of, among other work, constructing leasehold improvements in the Premises:

State of New York ("State Funds"):

State Grant \$5,000,000

City of Binghamton:

Grant \$2,500,000

Broome County:

Grant \$1,000,000

In no event shall Tenant use any Public Funds for fixtures, furniture, equipment or inventory. Tenant understands and agrees that the State Funds are reimbursement grants that are released to the grant recipient after the recipient has provided proof of compliance with the requirements of the specific grant programs. Tenant further understands and agrees that Landlord, as grant recipient, must publicly bid the leasehold improvement work and manage the project. Landlord and Tenant shall cooperate to develop the requirements of Tenant's leasehold improvements, construction of which is required in order for the State

Funds to be paid to Tenant. Landlord, with Tenant's reasonable cooperation as needed, will apply for the State Funds. Upon receipt by Landlord of such State Funds, they will be segregated in a separate fund of Landlord, strictly for use for the leasehold improvements for which such funds were awarded. To the extent allowed pursuant to applicable laws, Tenant may submit one (1) or more requests for the Public Funds from such account, when the funds become available to Landlord.

- B. Ongoing Maintenance: Although Tenant shall perform ongoing maintenance and repair of the Demised Premises, the first time during the Term that any structural portion of the Demised Premises requires replacement, Tenant shall first obtain Landlord's consent for such replacement and the budget therefor, and Landlord shall reimburse Tenant for same following Tenant's completion of such replacement and issuance of written request therefor, within thirty (30) days following Landlord's next subsequent board meeting where the payment is approved. At such time as a structural portion of the Demised Premises is replaced, Tenant shall assume the maintenance and repair of such structural portion until the next required replacement at the end of such structural portion's useful life. To the extent that such maintenance may be subject to Landlord's procurement policy, Tenant agrees to comply with the policy in all respects.

5. PARKING AGREEMENT

As a condition precedent to the effectiveness of the Agreement, Tenant and The City of Binghamton shall enter into an amendment of the existing parking agreement (the "Parking Agreement"). The Parking Agreement shall reflect the following terms:

- A. Prior to any construction/re-construction of decked parking serving the Demised Premises, the parties will work in good faith to find new parking

availability for Tenant's customers in downtown Binghamton.

- B. At such time as the structured parking is completed, Tenant will contribute an annual sum of \$25,000.00 (the "Parking Payment" for use, benefit, maintenance, and upkeep of same.
- C. Tenant's customers shall be provided three (3) hours of free parking validation in the structured parking.

6. OPERATING COVENANT:

Tenant shall be permitted to temporarily close the Demised Premises for purposes of casualty, taking, force majeure event, national holidays, reasonable periods of time to take inventory, reasonable periods of time to effectuate an assignment or sublease, and reasonable time periods for repair and remodel.

7. PARTIAL SURRENDER

The parties shall reasonably cooperate to create a feasible plan for Tenant to surrender the 5th floor of the Premises to Landlord. Tenant shall not be required to operate on the 5th floor.

It is understood that while this LOI expresses the present intent of the parties, it is not intended, nor shall it be construed to create any agreement or legal obligation between the parties. Such an agreement shall be created solely by the mutual execution of a written Agreement. The terms of this LOI shall expire after ten (10) business days of Landlord's receipt unless countersigned within the ten (10) day period.

Sincerely,
BOSCOV'S DEPARTMENT STORE, LLC



Jim Boscov
Chairman and CEO

cc: Mayor Jared Kraham
Sarah Glose
Patrick Doyle

Agreed and accepted by Landlord

This _____ day of _____, 2023.

By: _____

Its: _____

Schedule 1

“Gross Sales” shall mean the aggregate amount, expressed in dollars, of all sales, rentals, licenses or concessions of goods or services, whether made at full or discount prices, wholesale or retail, or for cash or credit, made in, on or from or arising out of the use of the Demised Premises by Tenant, its successors and assigns, subtenants, concessionaires, and licensees (subject to the exclusions below), including sales and services (a) where the orders therefor originate in, at, from, or arising out of the use of the Demised Premises, whether delivery or performance is made from the Demised Premises or from some other place, (b) made or performed by mail, telephone, or electronic commerce orders to the extent same is shipped or delivered from the Demised Premises, (c) made or performed by means of vending devices in the Demised Premises with respect to merchandise sold from such devices, (d) made from the application and use of all gift certificates and gift cards when redeemed at the Demised Premises; or (e) which Tenant in the normal and customary course of its business would credit or attribute to its operations in any part of the Demised Premises. Each installment or credit sale shall be treated as a sale for the full price in the month during which such sale is made, regardless of whether or when Tenant receives payment therefor. No franchise, occupancy or capital stock tax and no income or similar tax based on income or profits shall be deducted from Gross Sales.

Exclusions from Gross Sales

The following shall be excluded from Gross Sales (to the extent they are documented as required herein): (a) sales of merchandise for which cash has been refunded (limited to the amount of cash refunded); (b) refunds or allowances made on merchandise claimed to be defective or unsatisfactory; (c) the sales price of merchandise returned by customers for exchange, but only to the extent the value of said merchandise thereafter tendered to customer as an exchange is of equal value; (d) deliveries and exchanges of merchandise between the Demised Premises and a warehouse or other store and other similar movements of merchandise; (e) returns to suppliers; (f) any excise, sales, use or value added tax which is levied directly on sales to the extent separately stated and is added to the sales price as a distinct amount in addition to the regular price; (g) travel service center and ticket agency sales but any attributable commissions or fees earned by Tenant shall be included within Gross Sales; (h) sale of fixtures, furniture and equipment previously used in the Demised Premises and not made in the ordinary course of business; (i) finance charges on in-house charge accounts (to the extent that such charges do not exceed the charges paid to outside credit companies) and charges paid to or royalties received from outside credit card companies; (j) fees paid to or from an optometrist, audiologist and any and all other leased or licensed departments or businesses; provided, however, that any attributable commissions or fees earned by Tenant shall be included within Gross Sales; (k) discount sales made to employees of Tenant and its subsidiary and affiliated companies; (l) intentionally deleted; (m) sales of unprocessed film; (n) sales of gift cards or other stored value cards or gift certificates but such are to be included within Gross Sales when redeemed regardless of the origin or point of sale of such gift card or store value card or gift

certificate; (o) sales of hunting and fishing licenses; (p) bad debts which are actually written off for Federal income tax purposes for this store; (q) sales of lottery tickets and other games of chance but any commissions paid by the lottery commission to the Tenant shall be included within Gross Sales; (r) income relating to delivery charges and/or charges for labor in any work or service performed outside the Demised Premises; (s) income from gift wrapping; (t) cashing and issuing of checks; (u) sale of postage stamps (other than those merchandised as being for stamp collectors); (v) receipts from snack bars, cafeterias and/or vending machines maintained primarily for the use and convenience of Tenant's employees and incidental convenience of customers; (w) receipts from public telephones; (x) premiums and other amounts received from or in connection with: (1) the sale of policies of insurance, mutual funds, stocks, bonds and other securities; (2) making of personal loans; (3) operation of savings plans; and (4) sale or rendition of any other financial services; (y) wholesale sales made through the commercial and industrial sales department of Tenant; (z) sale of any service contracts, extended warranties and any other accidental damage and handling plans; (aa) sums and credits received in settlement of claims for loss or damage to merchandise; (ab) sales made by any subtenant, licensee, franchisee or concessionaire, but any attributable commissions or fees earned by Tenant shall be included within Gross Sales; (ac) donations of merchandise or sales at discount (provided no profit is derived from such discount sales) of merchandise to non-profit charitable and religious organizations; (ad) sums received in partial payment for merchandise sold upon the "layaway" or "will call" basis, provided said sum will be included in Gross Sales when the sale has been concluded by delivery of merchandise to the customer (any partial payments which are forfeited by customers shall not be included in Gross Sales); (ae) merchandise or other items of value issued in redemption of trading stamps or coupons in connection with any sales promotion program; (af) sales of merchandise or service rendered on, in, or from any of Tenant's other stores, and sales and of merchandise or service on orders which are solicited, taken, or received at, by, or from any of Tenant's other stores, whether or not the merchandise in question is transferred from the Demised Premises; (ag) income from alteration services and workroom operations, shoe repair, hat repair, engraving, monogramming, pressing, cleaning, mending and similar minor auxiliary services, provided such services and operations are rendered primarily with respect to merchandise sold at or from the Demised Premises and such receipts are not included in sales under Tenant's customary retail accounting procedures; (ah) sales of merchandise or other items that are sold at below cost and relate to the annual sales promotional program known as "Did You Boscov Today", and other promotional below cost sales.

Binghamton Local Development Corporation

December 14, 2023

RESOLUTION 24-8: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION AUTHORIZING THE PRESIDENT TO ENTER INTO AN AGREEMENT WITH THE CITY OF BINGHAMTON FOR ACCEPTANCE OF AMERICAN RESCUE PLAN ACT FUNDS RELATED TO THE REHABILITATION OF 11 COURT STREET

WHEREAS, the Binghamton Local Development Corporation (the "BLDC") owns a reversionary interest in certain real property located at 11 Court Street Binghamton, NY, identified as Tax Parcel Nos. 160.40-2-4 and 160.40-2-5 (the "Premises"); and

WHEREAS, the Premises is in need of investment to update critical systems and address building deficiencies; and

WHEREAS, the BLDC desires to improve the Premises for the purpose of retaining Boscov's Department Store, LLC, as a tenant; and

WHEREAS, the BLDC has approved resolution 24-7 authorizing the President to sign a Letter of Intent for a \$10M public and private investment in the Premises; and

WHEREAS, upon City Council approval, the City of Binghamton shall award \$2.5M in American Rescue Plan Act dollars in support of this project;

NOW, THEREFORE, the Board of Directors of the Binghamton Local Development Corporation duly convened at a regular meeting, does hereby:

RESOLVE, that the President of the BLDC is authorized and empowered to execute an agreement for acceptance of the ARPA funds from the City of Binghamton.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at its regular meeting held on December 14, 2023.

Ron Sall, Secretary
Binghamton Local Development Corporation