

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION  
SPECIAL MEETING MINUTES  
Monday, June 13, 2022**

ATTENDANCE	2022													
	1/27	2/24	3/24	4/28	5/3	5/26	6/13	6/23	7/28	8/25	9/29	10/27	11/17	12/15
<b>Directors</b>														
Kraham, Jared	P	P	EX	P	EX	P	P	P						
Berling, Juliet	P	P	P	P	P	P	P	P						
Burns, Joe	P	EX	P	P	P	EX	EX	EX						
Doyle, Patrick	P	P	P	P	EX	P	P	EX						
Farrell, Susan	P	P	EX	P	P	P	P	P						
Koffman, Betsy	P	P	P	P	EX	EX	P	EX						
Sall, Ron	P	P	P	P	P	P	P	P						
Scanlon, Thomas	P	P	EX	EX	EX	EX	EX	EX						
Seachrist, Brian	P	P	P	P	P	P	P	P						
Shager, Chuck	P	P	P	P	P	P	P	P						
Stento, Frank				P	EX	P	P	P						
Stromhaug, Per	P	EX	P	P	P	EX	P	P						
<b>Staff</b>														
Sarah Glose	NA	P	P	P	P	P	P	P						
Joel Boyd	P	P	P	P	P	P	P	EX						
Rachel Priest	P	P	P	P	P	P	P	P						
<b>Other</b>														
Steve Carson	NA	P	P	P	NA	P	NA	P						

Vice President Susan Farrell called the meeting to order at 9:02 AM.

**APPROVAL OF THE MINUTES OF THE MAY 26, 2022 REGULAR MEETING AND JUNE 13, 2022 SPECIAL MEETING**

Mayor Kraham moved to approve the minutes of the May 26, 2022 meeting, seconded by B. Seachrist. The motion was approved (8-0-0). Mayor Kraham moved to approve the minutes of the June 13<sup>th</sup> meeting seconded by B. Seachrist. The motion was approved (8-0-0).

**PRESENTATION OF THE MAY 2022 FINANCIAL REPORT**

The end of month balance in the Restricted Account was \$1,189,684.18. The end of month balance in the UDAG account was \$1,221,781.55. There was no activity in the Mayor’s Veteran’s Initiatives, or Grant accounts. Funds were passed through the Broome Enterprise Triad Account to SUNY Broome for the final payment for the EAP

Program, with a 1% admin fee to the BLDC Unrestricted account. R. Priest stated that borrowers 142 Court St. have not paid in several months, they have been contacted and are expected to pay.

### **New Business:**

**RESOLUTION 21-10** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR 2022-23 (CDBG FY 48).

Mayor Kraham moved, seconded by F. Stento. The motion was approved (8-0-0).

S. Glose summarized the June Strategic Priorities Committee meeting. The Committee reviewed the proposed budget for Fiscal Year 2022-23 and suggested edits, which were made to the budget. The committee also discussed ways in which the BLDC can continue to support the Koffman Southern Tier Incubator and its programs through joint initiatives like the SBB 607 step up grant. The Step Up grant will roll out once the funds are approved by HUD for that purpose.

Mayor Kraham described a huge amount of interest in cannabis related businesses.

S. Glose described a positive initial reaction from the public to the draft zoning maps for cannabis related businesses. She summarized a DASNY program that looks at leasing sites to be used by Social Justice Equity license holders as retail spaces. Binghamton submitted several sites for this program.

Mountain Fresh Dairy paid off their loan balance as well as the taxes on the Crowley property and the property was not sold at auction.

The BLDC Business Plan Competition was successful, with Strategic Test Prep, Downtown Danny's and UseFuze winning first second and third place. S. Farrell added that the BLDC plans to seek additional sponsorships for next year's competition in order to increase the prize amounts.

S. Glose summarized the NYEDC and NYCOM conferences that she attended.

Binghamton City Council approved the BLDC loan to Renkan, LLC for renovations to 221 State St.

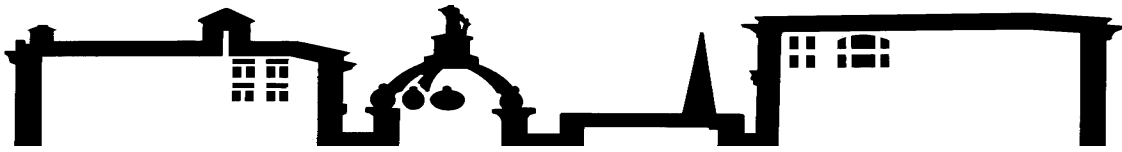
S. Glose, S. Farrell and R. Priest met with borrower Ariel Hendricks to work with her on resuming her monthly payments on her mini-microenterprise loan.

There being no further business, F. Stento made a motion to adjourn, Mayor Kraham

seconded and the meeting adjourned (8-0-0) at 9:20 AM.

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Ron Sall, Secretary  
Binghamton Local Development Corporation



BLDC

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

MONTHLY FINANCIAL REPORT

JUNE 2022

FISCAL YEAR 9/1/21—8/31/22

CDBG YEAR 47

JARED M. KRAHAM, MAYOR

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**  
**FISCAL ACTIVITY**

September 1, 2021 through August 31, 2022

<b>Borrower</b>	<b>Amount</b>	<b>Date Approved</b>	<b>Expended Amount</b>	
Marketing Budget	\$ 15,000.00	June 24, 2021	\$10,160.35	UDAG

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**  
**Restricted Account Annual Income and Expenses- CDBG YEAR 47**  
September 1, 2020 to August 31, 2022

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

**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)	\$ 75,705.46

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

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Statement of Income and Expense

**Restricted Account**

Jun-22

	<u>Jun-22</u>	<u>Year To Date</u>
Beginning of Month Balance	\$ 1,189,684.18	
Fiscal Year Beginning Balance		\$ 1,113,573.14
<b>Income</b>		
Loan Interest	\$ -	\$ 2,362.59
Bank Interest	\$ 29.27	\$ 122.70
Penalties/Late Fees	\$ -	\$ 312.15
Loan Principal	\$ -	\$ 73,342.87
	<hr/>	<hr/>
<b>Total Income</b>	\$ 29.27	\$ 76,140.31
<b>Expense</b>		
NYS Tax Filing Fee	\$ -	\$ -
Internal Revenue Service	\$ -	\$ -
Annual Interest Payment to HUD	\$ -	\$ -
CDBG Support of Consolidation Plan	\$ -	\$ -
	<hr/>	<hr/>
<b>Total Expense</b>	\$ -	\$ -
<b>Net Gain (Loss)</b>	<hr/>	<hr/>
	\$ 29.27	\$ 76,140.31
<b>End of Month Balance</b>	<hr/>	<hr/>
	<b>\$ 1,189,713.45</b>	<b>\$ 1,189,713.45</b>
Encumbered For All Loans	\$ -	
Interest committed to HUD 2021-2022 Fiscal Yr.	\$ 122.70	
<b>Available Cash</b>	<hr/>	
	\$ 1,189,590.75	

**Checks: June 2022**

None

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Accounts Receivable Report

Jun-22

**RESTRICTED ACCOUNT**

<b>Borrower</b>	<b>Original Loan Amount</b>	<b>Closing Date</b>	<b>Payment Amount</b>	<b>Amount Paid</b>	<b>Balance</b>
<b>REVOLVING LOANS</b>					
Innovation In Imaging	\$ 210,000.00	02/01/17	\$ 1,248.58	\$68,213.98	\$ -
<b>IN DEFAULT:</b>					
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
Mountain Fresh Dairy, LLC	\$ 200,000.00	11/19/14	\$ 2,733.76	\$ -	\$ 121,075.16
<b>TOTAL</b>	<b>\$ 810,000.00</b>		<b>\$ 7,227.31</b>	<b>\$68,213.98</b>	<b>\$ 447,985.87</b>

**Total Active Loans           1**  
**Total Loans                   4**



**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

## Statement of Income and Expense

**UDAG Account**

May-22

	<u>Jun-22</u>	<u>Year To Date</u>
Beginning of Month Balance	\$1,221,781.55	
Fiscal Year Beginning Balance		\$1,096,472.83

**INCOME**

Principal Paid on Loans	\$3,324.99	\$188,162.46
Loan Interest	\$1,252.71	\$24,438.94
Bank Interest	\$30.02	\$127.07
Late Penalties	\$0.00	\$491.97
BLDC-City of Binghamton Contract	\$0.00	\$0.00
Administrative Reimbursement	\$0.00	\$0.00
Main Street Grant Reimbursement	\$0.00	\$0.00
Parade Grant	\$0.00	\$0.00
<b>Total Income</b>	<u>\$4,607.72</u>	<u>\$213,220.44</u>

**EXPENSES**

Loans	\$0.00	\$25,000.00
BLDC-City of Binghamton Contract	\$0.00	\$36,250.00
Professional Fees-Credit Check	\$0.00	\$196.95
Insurance Expense	\$0.00	\$3,581.70
Accounting Expense	\$0.00	\$5,500.00
Marketing Expense	\$5,000.00	\$10,160.35
Property Maintenance Expense	\$0.00	\$50,633.95
Community Event	\$2,731.37	\$2,891.37
<b>Total Expenses</b>	<u>\$7,731.37</u>	<u>\$134,214.32</u>

**Net Gain (Loss)**

(\$3,123.65)	\$79,006.12
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**End of Month Balance**

<u>\$1,218,657.90</u>	<u>\$1,175,478.95</u>
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Encumbered For All Loans	\$0.00
Encumbered For Marketing 2021-2022	\$4,839.65
Encumbered for Bus. Restart - Disaster Loans	\$100,000.00
Available Cash	\$1,113,818.25

**Checks: APRIL 2022**

#930 Francines Horticultural	\$1,400.00
#931 Broome County Public Trans	\$180.00
#932 Alexanders Café	\$160.00

# BINGHAMTON LOCAL DEVELOPMENT CORPORATION

Accounts Receivable Report

June 2022

## UDAG ACCOUNT

<b>Borrower</b>	<b>Loan Amount</b>	<b>Closing Date</b>	<b>Payment Amount</b>	<b>Amount Paid</b>	<b>Balance</b>
<b>Repayment Loans</b>					
142 Court Street, LLC #2	\$ 41,467.98	06/01/17			\$ 2,264.70
DDBing Properties, LLC #2	\$ 90,000.00	05/21/13	\$ 502.74	\$ 1,005.48	\$ 55,976.43
Ellis Brothers	\$ 400,000.00	10/10/18	\$ 2,908.89	\$ -	\$ 323,780.22
Emma St., LLC	\$ 140,000.00	04/01/19	\$ 1,031.22	\$ 1,031.22	\$ 116,899.56
One North Depot Special	\$ 100,000.00	03/23/16	\$ 554.60	\$ 1,109.20	\$ 28,466.80
Tom Haines	\$ 229,790.00	04/20/18	\$ 1,559.51	\$ -	\$ 196,712.22
Broome County Council of Church	\$ 150,000.00	06/15/20			\$ 150,000.00
<b>TOTAL</b>	<b>\$ 1,151,257.98</b>		<b>\$ 6,556.96</b>	<b>\$ 3,145.90</b>	<b>\$ 874,099.93</b>
<b>Total number of loans</b>	<b>7</b>				
<b>Micro Loans</b>					
<b>TOTAL</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total number of loans</b>	<b>0</b>				
<b>Mini Micro Loans</b>					
Zachary Salisbury - QOLA	\$ 5,000.00	05/23/18	\$ 150.42		\$ 1,789.25
PA Every Architect, PLLC	\$ 5,000.00	05/15/20	\$ 147.06	\$ 294.12	\$ 1,581.95
Ariel Hendricks CPT LLC	\$ 5,000.00	06/29/20	\$ 147.06		\$ 4,071.25
<b>TOTAL</b>	<b>\$ 15,000.00</b>		<b>\$ 444.54</b>	<b>\$ 294.12</b>	<b>\$ 7,442.45</b>
<b>Total Number of Loans</b>	<b>3</b>				
<b>Façade Loans</b>					
One North Depot Façade	\$ 100,000.00	03/23/16	\$ 568.84	\$ 1,137.68	\$ 28,156.12
The Garland, LLC	\$ 44,438.00	08/31/20			\$ 44,438.00
<b>TOTAL</b>	<b>\$ 144,438.00</b>		<b>\$ 568.84</b>	<b>\$ 1,137.68</b>	<b>\$ 72,594.12</b>
<b>Total number of loans</b>	<b>2</b>				
<b>COVID 19 Emergency Loan</b>					
Newtab, LLC	\$ 15,000.00	04/08/20			\$ -
DPG Holding Inc.	\$ 15,000.00	05/05/20			\$ -
Champz of Binghamton LLC	\$ 15,000.00	06/30/20			\$ 1,278.90
Arena Hotel Corporation	\$ 15,000.00	09/04/20	\$ 1,272.11	\$ -	\$ 11,295.52
Vista Property Management, LLC	\$ 15,000.00	09/04/20	\$ 1,272.11	\$ -	\$ 11,295.52
<b>TOTAL</b>	<b>\$ 75,000.00</b>		<b>\$ 2,544.22</b>	<b>\$ -</b>	<b>\$ 23,869.94</b>
<b>Total number of loans</b>	<b>5</b>				
	<b>\$ 1,385,695.98</b>		<b>\$10,114.56</b>	<b>\$ 4,577.70</b>	<b>\$ 978,006.44</b>
<b>Total Open Loans</b>	<b>17</b>				

\*They made the June Payment in May

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Statement of Income and Expense

**Unrestricted Account**

Jun-22

	<u>Jun-22</u>	<u>Year To Date</u>
Beginning of Month Balance	\$7,426.60	
Fiscal Year Beginning Balance		\$5,783.04
<b>INCOME</b>		
Application/ Commitment Fee	\$0.00	\$0.00
Filing Fees	\$0.00	\$0.00
Admin Fees (SUNY Broome Contract)	\$0.00	\$642.84
Misc Income	\$0.00	\$56,681.90
Interest Income	\$0.18	\$0.90
	<hr/>	
<b>Total Income</b>	<b>\$0.18</b>	<b>\$57,325.64</b>
	<hr/>	
<b>EXPENSES</b>		
Marketing Expense	\$0.00	\$0.00
Chamber Events/ GWSA Membership	\$0.00	\$0.00
Loan App Research Expense	\$0.00	\$0.00
Misc. Expenses	\$0.00	\$55,681.90
Insurance	\$0.00	\$0.00
BLDC Training	\$0.00	\$0.00
	<hr/>	
<b>Total Expense</b>	<b>\$0.00</b>	<b>\$55,681.90</b>
	<hr/>	
<b>End of Month Balance</b>	<b>\$7,426.78</b>	<b>\$7,426.78</b>
	<hr/> <hr/>	

**Checks: May 2022**

none

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Statement of Income and Expense

**Broome Enterprise Triad - New York State Account**

Jun-22

	<u>Jun-22</u>	<u>Year To Date</u>
Beginning of Month Balance	\$0.00	
Fiscal Year Beginning Balance		\$0.00
<b>Income:</b>		
State Checks	<u>\$36,750.00</u>	<u>\$201,033.69</u>
<b>Total Income</b>	<u>\$36,750.00</u>	<u>\$201,033.69</u>
<b>Expense:</b>		
SUNY Broome	\$0.00	\$162,640.85
NYS EAP Funding 1% Fee	<u>\$0.00</u>	<u>\$1,642.84</u>
<b>Total Expense</b>	<u>\$0.00</u>	<u>\$164,283.69</u>
<b>End of Month Balance</b>	<u><u>\$36,750.00</u></u>	<u><u>\$36,750.00</u></u>

**Checks: May 2022**

SUNY BROOME-63640.85

BLDC UNRESTRICTED -642.84

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Statement of Income and Expense

**Mayor's Veterans Initiatives**

Jun-22

	<u>Jun-22</u>	<u>Year To Date</u>
Beginning of Month Balance	\$ 10,548.01	
Fiscal Year Beginning Balance		\$ 59,729.91
<b>Income:</b>		
Mudcat Grant	\$ -	\$ 6,500.00
NY Veterans of Foreign Wars	\$ -	\$ -
Interest	\$ -	\$ -
<b>Total Income</b>	<u>\$ -</u>	<u>\$ 6,500.00</u>
<b>Expense:</b>		
Opportunities for Broome	\$ -	\$ 55,681.90
<b>Total Expense</b>	<u>\$ -</u>	<u>\$ 55,681.90</u>
<b>End of Month Balance</b>	<u>\$ 10,548.01</u>	<u>\$ 10,548.01</u>

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Delinquent Loan Status - 30 or More Days Overdue

Jun-22

<b>Borrower</b>	<b>Amount Delinquent</b>	<b>Balance</b>	<b>Account</b>
<u><b>VMR Electronics, LLC</b></u> Default	\$65,366.19	\$65,366.19	Restricted
<u><b>VMR Realty Management, LLC</b></u> Default	\$261,544.52	\$261,544.52	Restricted
<u><b>Mountain Fresh Dairy</b></u> Default	\$121,075.16	\$121,075.16	Restricted
<u><b>Quality of Life</b></u> Default	\$1,789.25	\$1,789.25	UDAG
<u><b>Ariel Hendricks CPT LLC</b></u>	\$1,764.72	\$4,071.25	UDAG
<u><b>142 Court Street, LLC #2</b></u>		\$ 2,264.70	UDAG
<u><b>Arena Hotel Corporation</b></u>	\$ 2,544.22	\$ 11,295.52	UDAG
<u><b>Vista Property Management, LLC</b></u>	\$ 2,544.22	\$ 11,295.52	UDAG
<u><b>Champz of Binghamton LLC</b></u>		\$ 1,278.90	UDAG
<b>Totals</b>	<b>\$451,539.84</b>	<b>\$453,846.37</b>	

NOTE: UDAG Receivables: \$978,006.44  
 Rest Receivables: \$447,985.87  
 The total of outstanding balances in the BLDC portfolio: \$1,425,992.31  
 The total of the delinquent outstanding balances are \$451,539.84 \*\*  
**The current delinquency percentage of the portfolio is: 31.66%**

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 03/31/2022 the delinquency percentage of all loans not designated as non-performing is 0.12%

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

Statement of Income and Expense

**GRANT ACCOUNT**

Jun-22

	<u>Jun-22</u>	<u>Year To Date</u>
Beginning of Month Balance	\$5,938.76	
Fiscal Year Beginning Balance		\$5,938.76
<b>Income:</b>		
State Funding Main Street Grant	\$0.00	\$0.00
	<hr/>	<hr/>
<b>Total Income</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Expense:</b>		
Main Street Gant Recording w/ Broome County	\$0.00	\$0.00
Main Street payments to property owners	\$0.00	\$0.00
	<hr/>	<hr/>
<b>Total Expense</b>	<b>\$0.00</b>	<b>\$0.00</b>
	<hr/>	<hr/>
<b>End of Month Total Grant Account</b>	<b>\$5,938.76</b>	<b>\$5,938.76</b>
	<hr/>	<hr/>

**Expense Detail: (Paid from 9/1/21 to 8/31/22)**

None



**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**  
 Financial Highlights

<u>Statement of Net Position</u>	<u>As of 06/30/2022</u>	<u>Audit 08/31/21</u>
<b>Assets</b>		
Cash	2,427,735	2,281,498
Accounts receivable	36,250	36,250
Grant receivable	-	-
Loans Receivable	1,425,992	1,664,377
Allowance for doubtful accounts	(326,911)	(326,911)
Inventory-property held for sale	760,981	760,981
<b>Total Assets</b>	<u>4,324,048</u>	<u>4,416,195</u>
<b>Liabilities</b>		
Accounts Payable	36,250	36,250
Accrued Liabilities	551,342	551,342
Interest Liability	-	-
<b>Total Liabilities</b>	<u>587,592</u>	<u>587,592</u>
<b>Net Position</b>		
Restricted	2,826,881	3,757,151
Unrestricted	909,576	71,452
<b>Total Net Position</b>	<u>3,736,456</u>	<u>3,828,603</u>

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**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**  
 Financial Highlights

**Statement of Revenues, Expenses and Change in Net Positions**

	<u>As of 06/30/2022</u>	<u>Audit 08/31/21</u>
<b>Revenue</b>		
Interest and fees on loans	26,832	41,830
Grant Income	207,534	238,931
Application/Commitment Fee Income	-	-
Investment Interest	211	198
Misc Income	58,139	1,479
<b>Total Revenues</b>	<u>292,715</u>	<u>282,438</u>
<b>Expenses</b>		
Grant expense	164,284	77,931
Community Event	2,891	160
Grant expense- Prof services-City	36,447	154,000
Marketing	5,160	6,580
Other-Consolidation expense-City	-	-
Insurance expense	3,582	3,468
Audit fees	5,500	5,500
Property Maintenance Expense	7,455	5,660
Meeting Expense	-	-
Other	116,364	536
<b>Total Expenses</b>	<u>341,683</u>	<u>253,835</u>
<b>Operating Income</b>	(48,968)	28,603
Net Position at beginning of fiscal year	3,828,603	3,799,840
Net Position end of period	<u><u>3,779,635</u></u>	<u><u>3,828,443</u></u>

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**  
 Financial Highlights

**Statement of Cash Flows**

**As of 04/30/2022**

**Cash Flows from Operating Activities**

Cash received from grants	106,500
Cash received for grants receivable	-
Cash received from payments on loans receivable	175,617
Cash received from interest on loans	19,738
Cash received from miscellaneous sources	56,682
Cash paid to borrowers for loans receivable	(25,000)
Cash paid for interest payable	-
Cash paid for grant related expenses	(100,000)
Cash paid to the City (for professional services)	(36,250)
Cash paid for office related expenses and professional ser	(17,088)
Cash paid for property held for sale	-
Cash paid for miscellaneous expenses	(111,381)

<b>Net cash flows from operating activities</b>	<u>68,818</u>
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**Cash Flows from Investing Activities**

Interest income	131
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<b>Net cash flows from investing activities</b>	<u>131</u>
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<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	<u>68,949</u>
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<b>CASH AND CASH EQUIVALENTS beginning of year</b>	<u>2,281,498</u>
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<b>CASH AND CASH EQUIVALENTS at 04/30/2022</b>	<u><u>2,350,446</u></u>
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# AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (the "Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_ 2022, 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 **SHRYNE GROUP, INC.** or its affiliate, a CA Corporation with an address of 2001 S Alameda Street, Los Angeles, CA 90058 ("Purchaser").

## WITNESSETH:

WHEREAS, the Seller owns certain real property located at Charles Street, Binghamton, NY, identified as a Lots # 4, 5, and 6 (Charles St. Business Park Boundary Survey May 29, 2019) portion of Tax Parcel No. 144.70-1-31.1, consisting of approximately 8.237 acres, as more particularly described on Exhibit "A" attached hereto and made a part hereof (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 Eighty-Eight Thousand, Two Hundred Ninety-Five and 00/100 Dollars (\$288,295.00) payable to the BLDC, payable as follows:

2.1 A non-refundable deposit (the "Deposit") of Ten Thousand and 00/100 Dollars (\$10,000.00) to be paid to Seller upon execution of this Agreement. The Deposit will be released to Seller upon receipt.

2.2 Two Hundred Seventy-Eight Thousand, Two Hundred Ninety-Five and 00/100 Dollars (\$278,295.00) 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 Sixty-Eight Thousand, Two Hundred Ninety-Five and 00/100 Dollars (\$268,295.00) 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 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 July 28th, 2023 (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 July 28, 2024, by making a non-refundable payment to Seller in the amount of Ten Thousand 00/100 Dollars (\$10,000.00). 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 Sixty-Eight Thousand, Two Hundred Ninety-Five and 00/100 Dollars (\$268,295.00)

6.4 At any time prior to July 28, 2023, or as extended July 28, 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 September 12, 2023 (or if extended, September 12, 2024) (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 \$10,000.00 or, if the Due Diligence Period is extended, \$20,000.00, 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.

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 – 4<sup>th</sup> Floor  
Binghamton, New York 13901

Purchaser: Attn: Tak Sato, President  
Shryne Group Inc.  
2001 S Alameda St  
Los Angeles, CA 90058

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: \_\_\_\_\_

Dated: \_\_\_\_\_

Patrick Doyle, President

PURCHASER:

Shryne Group Inc.

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Tak Sato  
President

Exhibit "A"

**See Attached**

PORTION OF TAX MAP NO. 144.70-1-31.1  
(LOTS 4, 5 & 6)  
30 CHARLES STREET  
CITY OF BINGHAMTON  
BROOME COUNTY, NEW YORK STATE

SURVEYOR'S DESCRIPTION

ALL THAT CERTAIN LOT, PIECE, OR PARCEL OF LAND, LYING AND BEING SOUTHERLY AND WESTERLY OF EMERSON PARKWAY AND EASTERLY OF CHARLES STREET IN THE CITY OF BINGHAMTON, COUNTY OF BROOME, STATE OF NEW YORK, WITH ALL BEARINGS BEING REFERRED TO TRUE NORTH AT THE 76 DEGREE 35 MINUTE MERIDIAN OF WEST LONGITUDE (CORS 2011), BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT ITS INTERSECTION WITH THE EASTERLY STREET BOUNDARY OF CHARLES STREET AND THE SOUTHERLY STREET BOUNDARY OF EMERSON PARKWAY, SAID POINT BEING THE POINT OR PLACE OF BEGINNING;

RUNNING THENCE FROM SAID POINT OF BEGINNING, ALONG SAID SOUTHERLY STREET BOUNDARY OF EMERSON PARKWAY, THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

- 1) NORTH 84 DEGREES 56 MINUTES 30 SECONDS EAST, A DISTANCE OF 381.03 FEET TO A POINT;
- 2) SOUTH 50 DEGREES 07 MINUTES 31 SECONDS EAST, A DISTANCE OF 25.21 FEET TO A POINT;
- 3) SOUTH 05 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 730.35 FEET TO A POINT;
- 4) SOUTH 10 DEGREES 32 MINUTES 10 SECONDS WEST, A DISTANCE OF 253.09 FEET TO A POINT AT ITS INTERSECTION WITH THE DIVISION LINE BETWEEN SAID PROPERTY OWNED BY BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY ON THE NORTH AND THE PROPERTY NOW OR FORMERLY OWNED BY STANDARD BINGHAMTON LLC (LIBER 2229, PAGE 45. RECORDED JUNE 3, 2008) ON THE SOUTH;

THENCE ALONG THE LAST MENTIONED DIVISION LINE, THE FOLLOWING FIVE (5) COURSES AND DISTANCES:

- 1) NORTH 05 DEGREES 19 MINUTES 08 SECONDS WEST, A DISTANCE OF 85.81 FEET TO A POINT;
- 2) SOUTH 85 DEGREES 10 MINUTES 45 SECONDS WEST, A DISTANCE OF 138.62 FEET TO A POINT;
- 3) SOUTH 81 DEGREES 43 MINUTES 56 SECONDS WEST, A DISTANCE OF 164.71 FEET TO A POINT;
- 4) SOUTH 03 DEGREES 28 MINUTES 05 SECONDS EAST, A DISTANCE OF 18.94 FEET TO A POINT;
- 5) SOUTH 85 DEGREES 23 MINUTES 05 SECONDS WEST, A DISTANCE OF 24.55 FEET TO A POINT ON SAID EASTERLY STREET BOUNDARY OF CHARLES STREET;

THENCE ALONG THE LAST MENTIONED STREET BOUNDARY, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- 1) NORTH 05 DEGREES 08 MINUTES 07 SECONDS WEST, A DISTANCE OF 334.84 FEET TO A POINT;
- 2) NORTH 05 DEGREES 23 MINUTES 58 SECONDS WEST, A DISTANCE OF 598.67 FEET TO THE POINT OF BEGINNING. CONTAINING 358,804 SQ. FT. OR 8.2370 ACRES, MORE OR LESS.

SUBJECT TO ANY MUNICIPAL, PUBLIC, OR PRIVATE EASEMENTS IN EXISTENCE OR OF RECORD.

MAP ENTITLED "BOUNDARY SURVEY, 30 CHARLES STREET, PORTION OF TAX MAP NO. 144.70-1-31.1, CITY OF BINGHAMTON, BROOME COUNTY, NEW YORK STATE", DATED MAY 29, 2019, PREPARED BY HULBERT ENGINEERING AND LAND SURVEYING, DPC.

**Binghamton Local Development Corporation**

July 28, 2022

**RESOLUTION 22-11 A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION ADOPTING AN EXPLANATORY STATEMENT RELATED TO THE VALUE OF PROPERTY AT 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 a Lots # 4, 5, and 6 (Charles St. Business Park Boundary Survey May 29, 2019) portion of Tax Parcel No. 144.70-1-31.1, consisting of approximately 8.2 acres (the "Premises"); and

WHEREAS, the BLDC purchased these lots from the Broome County Industrial Development Agency at a cost of \$30,000.00 per acre on February 4, 2019; and

WHEREAS, the Binghamton Local Development Corporation Board of Directors wishes to accept this as the negotiated value of the acreage of Lots # 4, 5, and 6; and

WHEREAS, the BLDC has incurred nominal costs related to maintenance and marketing of Lots #4, 5, and 6; and

WHEREAS, the Binghamton Local Development Corporation Board of Directors agrees to set the price per acre at \$35,000.00; and

WHEREAS, the disposal of the property is intended to further the economic development interest of the City of Binghamton through the creation or retention of a substantial number of job opportunities; and

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

RESOLVE, that the BLDC will accept the attached explanatory statement, as may be approved by counsel, codifying the price per acre for Lots # 4, 5, and 6.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at its regular meeting held on July 28, 2022

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Ron Sall, Secretary  
Binghamton Local Development Corporation

## Binghamton Local Development Corporation

July 28, 2022

### **RESOLUTION 22-12 A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION AUTHORIZING THE PRESIDENT TO ENTER INTO A REAL ESTATE OPTION AGREEMENT WITH SHRYNE GROUP, INC. FOR CHARLES ST. BUSINESS PARK LOTS #4, 5, AND 6.**

WHEREAS, the Binghamton Local Development Corporation (the "BLDC") owns certain real property located at Charles Street, Binghamton, NY, identified as a Lots #4, 5, and 6 (Charles St. Business Park Boundary Survey May 29, 2019) portion of Tax Parcel No. 144.70-1-31.1, consisting of approximately 8.2 acres (the "Premises"); and

WHEREAS, Shryne Group, Inc. c/o STIIIZY, LLC, with a business address of 2001 S Alameda Street, Los Angeles, CA 90058 desires to acquire an option to purchase the Premises; and

WHEREAS, the Binghamton Local Development Corporation 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, Shryne Group, Inc. shall pay the BLDC \$10,000 upon execution of the option for the Initial Option Period; and

WHEREAS, the Initial Option Period shall be one year commencing on July 28, 2023;

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 Real Estate Option Agreement with Shryne Group, Inc.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at its regular meeting held on July 28, 2022

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Ron Sall, Secretary  
Binghamton Local Development Corporation

BINGHAMTON LOCAL DEVELOPMENT CORPORATION  
LOAN COMMITTEE MEETING  
July 21, 2022

**LOAN NARRATIVE**

**Project Profile:**

Borrower: KLAW Industries

Loan Amount: \$150,000 Special Projects UDAG, \$100,000 Revolving Loan Fund

Loan Program: Revolving Loan/Special Projects UDAG Loan Fund

Rate: 75% of Prime Rate

Term: 10 years

Amortization: 20 years

Guarantors: Personal Guarantees of Jacob Kumpon, Jack Lamuraglia

Collateral: Second position lien on 75 Griswold St., First position lien on equipment

**Job Creation:**

Jobs created at the project automatically qualify as low/moderate income jobs based on the census tract in which the project is located. The Borrower is committed to creating three (3) jobs.

Job creation is not required for UDAG loan.

**Project Description:**

**Project Scope:**

<b>Sources:</b>	<b>Percentage</b>	
Owner's Equity	18%	\$191,500.00
Bank SBA Line of Credit	14%	\$141,240.00
Bank SBA Term Loan	34%	\$356,200.00
STREDEC	10%	\$100,000.00
BLDC (\$100,000 Revolving Loan Fund, \$150,000 Special Projects UDAG	24%	\$250,000.00
<b>Total</b>	<b>100%</b>	<b>\$1,038,490.00</b>

<b>Uses:</b>		
Equipment		\$844,200.00
Building Improvements		\$53,050.00
Working Capital		\$141,240.00
<b>Total</b>		<b>\$1,038,490.00</b>

**Business Description:** KLAW Industries was founded in 2019. Their mission is to create material solutions for the concrete and recycling industries. KLAW uses a proprietary process to produce Pantheon™, a concrete additive, from post-consumer glass. KLAW sources recycled glass, at no cost, directly from recyclers, to create their product. Pantheon is a sustainable and cost effective product purchased by concrete producers. KLAW has supplied their product to concrete manufacturers for projects throughout the area, including pilot projects for the City of Binghamton.

**Why do this Project:** KLAW Industries began in the Koffman Southern Tier Incubator and has demonstrated a commitment to manufacturing their product in the City of Binghamton by purchasing the building at 75 Griswold St. The company is looking to scale up production with the purchase of upgraded equipment, and to make improvements to their manufacturing space. This will lead to the creation of new jobs within the City of Binghamton. KLAW is a former winner of the BLDC Business Plan Competition as well as many business plan competitions throughout the country. The BLDC loan will be part of a funding package that will include traditional bank financing, a Small Business Administration (SBA) guarantee, and a loan from the Southern Tier Region Economic Development Corporation/the REDEC Relending Corporation (“STREDC”/“REDEC RRC”). This is an opportunity for the BLDC to support new manufacturing with the potential for growth and job creation in the City.

**Credit History:**

Credit reports have been shared with the BLDC Loan Committee.

**Collateral Analysis:**

<u>Type</u>	<u>Property Appraisal/Assessment</u>	<u>Mortgage/Loans</u>	<u>Source</u>	<u>Margin Discount</u>	<u>Available Collateral</u>
75 Griswold St.	\$131,316		Broome Co. Assessment FMV	17%	\$108,992.28
Existing Equipment	\$39,333		KLAW 2021 tax return	17%	\$32,646.39

Equipment Purchase Contingent on Loan	\$844,200		KLAW Sources and Uses doc	17%	\$700,686.00
<b>Collateral Coverage</b>	<b>3.4%</b>				<b>\$842,324.67</b>

<u>Global Cash Flow Analysis</u>	
Combined Owner's Income	\$24,000.00
Business Net income (including grant revenue)	\$114,660
Depreciation Expense	\$4,142.00
Interest	
<b>Total Combined Income</b>	<b>\$138,660.00</b>
Business Annual Debt Service:	
BLDC Revolving Loan Fund	\$7,021.32
BLDC Special Projects UDAG	\$10,532.04
Bank SBA Line of Credit	\$10,224.00
Bank Term Loan	\$49,644.00
STREDC	\$1,888.00
<b>Total Business Debt</b>	<b>\$79,309.36</b>
Personal Annual Debt:	
	\$0.00
Combined Property Taxes	\$13,304.00
<b>Total Personal Debt</b>	<b>\$0</b>
<b>Total Combined Debt</b>	<b>\$1,038,490.00</b>
*Nondiscretionary Expense (25%)	
Excess Cash/Deficiency	\$59,550.64



Combined Debt Service	\$92,613.36
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**Risks:**

- Borrowers have not maintained a 1.5 debt service ratio
- Projected sales figures for the next five years may not be accurate

**Mitigation of risk:**

- Obtain Affidavit of Confession of Judgement to be filed in the event of default

**Conditions of Loan:**

- Unlimited personal guarantees of Jacob Kumpon and Jack.Lamuraglia
- BLDC commitment is contingent on KLAW Industries, LLC securing financing for the balance of the project scope. Financing may come through a combination of private lending, non-profit lending, and other governmental or quasi-governmental lending.

**Binghamton Local Development Corporation**

July 28, 2022

**RESOLUTION 22-14: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION APPROVING A REVOLVING LOAN TO KLAU INDUSTRIES, LLC IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THOUSAND DOLLARS (\$100,000), FROM THE REVOLVING LOAN FUND (RESTRICTED) ACCOUNT, FOR EQUIPMENT AND WORKING CAPITAL**

**WHEREAS**, Jacob Kumpon and Jack Lamuraglia of KLAU Industries, LLC have submitted a Revolving Fund Loan Application to assist with the purchase of new equipment and working capital; and

**WHEREAS**, the loan application meets all eligibility requirements set forth by the BLDC Revolving Loan Program; and

**WHEREAS**, the BLDC Finance Committee has reviewed and recommended said application for approval; and

**WHEREAS**, the loan shall be funded from the Revolving Loan Fund; and

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

**RESOLVE** that the Revolving loan to KLAU Industries, LLC be approved in an amount not to exceed One Hundred Thousand Dollars (\$100,000); and be it further:

**RESOLVED**, that terms of the loan, together with the loan collateral and contingencies, are listed in the narrative attached hereto and made a part hereof; and be it further

**RESOLVED**, that this loan is subject to approval by Binghamton City Council; and be it further

**RESOLVED**, that after approval from the Binghamton City Council the President of the

## **Binghamton Local Development Corporation**

BLDC is hereby authorized and empowered to transmit a letter of commitment to the applicant and to complete the loan process.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at its regular meeting held on July 28, 2022.

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Ron Sall, Secretary  
Binghamton Local Development Corporation