

Orleans Land Restoration Corporation

121 North Main Street
Albion, NY 14411

(585) 589-7060

OLRC Board Meeting Agenda

Friday July 14, 2023 at 9:00 AM

Updated: 07/11/23

This meeting will be held at the offices of 121 North Main St, FL 2, Albion, NY 14411.

- **Roll Call** – Calling of Board members, announcement as to whether a quorum is present
- **Approval of the previous Board Meeting Minutes**
 - **June 9, 2023 Meeting Minutes-(Electronic) – Motion**
- **Financials**
 - *Consider the OLRC Monthly Financials – Motion*
- **Legal**
- **Operations Report**
 - Facilities/Sites
- **Old Business**
- **New Business**
 - *Consideration for the approval of the 2022 PARIS Report – Motion*
 - *Consideration for the approval of the agreement with H. Sicherman & Company, Inc for services related to the project with Takeform – Motion*
 - *Consideration for the approval of the grant agreement with the County of Orleans -Motion*
 - *Consider amendments to Term Loan & Deferred Loan with Velocitii -Motion*
 - *Consider amendment to OLRC Investment Policy - Motion*
- **Executive Session – If Required – Motion (Including invitees)**
 - *Action on any matters from executive session – Motion*
- **Motion to adjourn**



KeyBank
 P.O. Box 93885
 Cleveland, OH 44101-5885

Corporate Banking Statement
 June 30, 2023
 page 1 of 3

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 ORLEANS LAND RESTORATION CORPORATION
 121 N MAIN ST FL 2
 ALBION NY 14411-1237

Questions or comments?
 Call 1-800-821-2829

ORC

Commercial Transaction 852359047
 ORLEANS LAND RESTORATION CORPORATION

Beginning balance 5-31-23	\$40,677.71
3 Additions	+12,698.78
5 Subtractions	-26,444.39
Net fees and charges	-21.75
Ending balance 6-30-23	\$26,910.35

Additions

Deposits	Date	Serial #	Source	Amount
	6-1		Deposit Branch 0290 New York	\$8,898.53
	6-5		Deposit Branch 0290 New York	2,674.66
	6-22		Deposit Branch 0290 New York	1,125.59
Total additions				\$12,698.78

Subtractions

Paper Checks * check missing from sequence

Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
1035	6-5	\$485.60	1037	6-23	82.40	*24437	6-26	25,000.00
1036	6-12	25.00	1038	6-28	851.39			
Paper Checks Paid								\$26,444.39

Fees and charges

Date	Description	Quantity	Unit Charge	Amount
6-8-23	May Analysis Service Chg	1	21.75	-\$21.75
Fees and charges assessed this period				-\$21.75

*Reconciled
 7/3/23
 Matt Holland*



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Business Banking Statement
June 30, 2023
 page 1 of 3

329681253194

13 T 908 00000 R EM AO
 ORLEANS LAND RESTORATION CORP
GAIN - ACCOUNT
 121 N. MAIN STREET - FLOOR 2
 ALBION NY 14411-1237

Questions or comments?
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KeyBank Business Interest Checking 329681253194
 ORLEANS LAND RESTORATION CORP
 GAIN - ACCOUNT

Beginning balance 5-31-23	\$170,588.61
1 Addition	+1,752.08
Interest paid	+1.41
Ending balance 6-30-23	\$172,342.10

Additions

Deposits	Date	Serial #	Source	
	6-5		Deposit Branch 0290 New York	\$1,752.08
Total additions				\$1,752.08

Interest earned

Annual percentage yield (APY) earned	0.01%
Number of days this statement period	30
Interest paid 6-30-23	\$1.41
Interest earned this statement period	\$1.41
Interest paid year-to-date	\$8.32

*Balance 7/3/23
 Amount owed
 EMO*

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06/29/23

Accrual Basis

Orleans Land Restoration Corporation Balance Sheet Prev Year Comparison As of June 30, 2023

	Jun 30, 23	Jun 30, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
200 - Cash Account	20,990.36	76,730.77	-55,740.41	-72.6%
200.001 - OLRC Checking Acc Non Interest	174,092.77	150,378.34	23,714.43	15.8%
200.004 - OLRC GAIN Interest Bearing	0.00	275,000.00	-275,000.00	-100.0%
200.006 - OCR Holding Acct	195,083.13	502,109.11	-307,025.98	-61.2%
Total 200 - Cash Account	195,083.13	502,109.11	-307,025.98	-61.2%
Total Checking/Savings				
Accounts Receivable	-1,125.59	0.00	-1,125.59	-100.0%
1200 - Accounts Receivable	-1,125.59	0.00	-1,125.59	-100.0%
Total Accounts Receivable				
Other Current Assets				
Loan Principal-Current	-14,772.10	14,525.26	-29,297.36	-201.7%
ARG Services of WNY Inc.	-9,912.91	9,863.49	-19,776.40	-200.5%
LynOaken Farms Inc.	28,458.14	0.00	28,458.14	100.0%
M/JZ Restaurant Group/Zambistro	-12,608.39	12,397.40	-25,005.79	-201.7%
Quorum-Takeform	-30,592.94	30,288.80	-60,881.74	-201.0%
Quorum-Takeform#2	150,000.00	150,000.00	0.00	0.0%
Quorum Group LLC	235,574.33	0.00	235,574.33	100.0%
Velociti	346,146.13	217,074.95	129,071.18	59.5%
Total Loan Principal-Current	346,146.13	217,074.95	129,071.18	59.5%
Total Other Current Assets	540,103.67	719,184.06	-179,080.39	-24.9%
Total Current Assets				
Fixed Assets				
Accum Depreciation	-4,675.00	-4,675.00	0.00	0.0%
Equipment	4,675.00	4,675.00	0.00	0.0%
Holley Business Park	319,622.09	319,622.09	0.00	0.0%
Land				
OLRC 3959 Bates Road	83,966.00	83,966.00	0.00	0.0%
Land - Other	172,336.26	172,336.26	0.00	0.0%
Total Land	256,302.26	256,302.26	0.00	0.0%
Medina Business Park				
MBP Sewer System	160,116.29	160,116.29	0.00	0.0%
SS Interagency Instalment	11,034.86	11,034.86	0.00	0.0%
Medina Business Park - Other	87,245.63	87,245.63	0.00	0.0%
Total Medina Business Park	258,396.78	258,396.78	0.00	0.0%
Total Fixed Assets	834,321.13	834,321.13	0.00	0.0%

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06/29/23

Accrual Basis

Orleans Land Restoration Corporation Balance Sheet Prev Year Comparison As of June 30, 2023

	Jun 30, 23	Jun 30, 22	\$ Change	% Change
Other Assets				
Contingent Deferred Loans	39,000.00	22,320.64	16,679.36	74.7%
MJZ Restaurant Group/Zambistro	-300,000.00	0.00	0.00	0.0%
Quorum-Takeform#2 5/30/19	-150,000.00	0.00	0.00	0.0%
Quorum Group LLC 2/1/2019	-275,000.00	0.00	-275,000.00	-100.0%
Velocitii 12/07/2022	-686,000.00	-427,679.36	-258,320.64	-60.4%
Total Contingent Deferred Loans	45,000.00	45,000.00	0.00	0.0%
Deposit for Land Option	132,838.96	132,838.96	0.00	0.0%
Due from OEDA				
Loan Receivable-Non Current	81,741.02	81,741.02	0.00	0.0%
ARG Services of WNY Inc.	124,039.39	124,039.39	0.00	0.0%
LynOaken Farms Inc.	31,924.24	31,924.24	0.00	0.0%
Quorum-Takeform	108,425.96	108,425.96	0.00	0.0%
Quorum-Takeform #2	346,130.61	346,130.61	0.00	0.0%
Total Loan Receivable-Non Current	300,000.00	300,000.00	0.00	0.0%
Quorum Group LLC	137,969.57	396,290.21	-258,320.64	-65.2%
Total Other Assets	<u>1,512,394.37</u>	<u>1,949,795.40</u>	<u>-437,401.03</u>	<u>-22.4%</u>
TOTAL ASSETS				
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities	10,000.00	10,000.00	0.00	0.0%
Kepler Site - C/P	-11,500.00	-5,000.00	-6,500.00	-130.0%
Kepler Site Loan Payable	-5,000.00	-5,000.00	0.00	0.0%
Kepler Site Loan Payable - Cur	40,813.00	40,813.00	0.00	0.0%
Mortgage Payable-Current	81,685.04	81,685.04	0.00	0.0%
Repay to OEDA/ORLF/OLRC	115,998.04	122,498.04	-6,500.00	-5.3%
Total Other Current Liabilities	115,998.04	122,498.04	-6,500.00	-5.3%
Total Current Liabilities	115,998.04	122,498.04	-6,500.00	-5.3%
Long Term Liabilities				
Current Portion-Contra Account	-40,813.00	-40,813.00	0.00	0.0%
Mortgage Loan-Cardone Trust	-0.17	-0.17	0.00	0.0%
Total Long Term Liabilities	-40,813.17	-40,813.17	0.00	0.0%
Total Liabilities	75,184.87	81,684.87	-6,500.00	-8.0%

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06/29/23

Accrual Basis

Orleans Land Restoration Corporation

Balance Sheet Prev Year Comparison

As of June 30, 2023

	Jun 30, 23	Jun 30, 22	\$ Change	% Change
Equity				
1110 - Retained Earnings	1,377,706.76	1,451,629.82	-73,923.06	-5.1%
1120 - Transfer to IDA	226,395.79	226,395.79	0.00	0.0%
Net Income	-166,893.05	190,084.92	-356,977.97	-187.8%
Total Equity	1,437,209.50	1,868,110.53	-430,901.03	-23.1%
TOTAL LIABILITIES & EQUITY	1,512,394.37	1,949,795.40	-437,401.03	-22.4%

Orleans Land Restoration Corporation

Profit & Loss Budget Performance

June 2023

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06/29/23
Accrual Basis

	Jun 23	Budget	Jan - Jun 23	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
OLRC Interest Income	61.50		402.12		
MJZ Restaurant Group LLC	1,442.20		8,350.48		
OLRC Interest Income - Other	1,503.70		8,752.60		
Total OLRC Interest Income	1,503.70		8,752.60		
Total Income	1,503.70				
Expense					
4191 · Special District Taxes	0.00		99.95		
6200 · Interest Expense	0.00		74.58		
6210 · Finance Charge	0.00		74.58		
Total 6200 · Interest Expense	0.00		74.58		
6270 · Professional Fees					
6280 · Legal Fees	616.40		4,430.20		
6650 · Accounting	25.00		125.00		
6655 · Consulting	851.39		25,550.39		
6270 · Professional Fees - Other	8,082.40		17,679.34		
Total 6270 · Professional Fees	9,575.19		47,784.93		
6770 · Supplies	0.00		2,693.10		
6780 · Marketing	0.00		2,693.10		
Total 6770 · Supplies	0.00				
Total Expense	9,575.19		50,652.56		
Net Ordinary Income	-8,071.49		-41,899.96		
Other Income/Expense					
Other Income					
7010 · Interest Income	0.00		6.91		
Total Other Income	0.00		6.91		
Other Expense					
8012 · Transfer to related party	25,000.00		125,000.00		
Total Other Expense	25,000.00		125,000.00		
Net Other Income	-25,000.00		-124,993.09		
Net Income	-33,071.49		-166,893.05		

Orleans Land Restoration Corporation Transaction Detail by Account June 2023

Type	Date	Name	Memo	Split	Amount	Balance
Jun 23						
Invoice	06/01/2023	ARG Services of WNY I...		-SPLIT-	2,674.66	2,674.66
Invoice	06/01/2023	ARG Services of WNY I...	Monthly Principle Payment	1200 · Accounts R...	-2,479.34	195.32
Invoice	06/01/2023	ARG Services of WNY I...	Interest due on this payment	1200 · Accounts R...	-195.32	0.00
Invoice	06/01/2023	Quorum-Takeform		-SPLIT-	2,176.57	2,176.57
Invoice	06/01/2023	Quorum-Takeform	Monthly Principle Payment	1200 · Accounts R...	-2,116.20	60.37
Invoice	06/01/2023	Quorum-Takeform 2	Interest due on this payment	1200 · Accounts R...	-60.37	0.00
Invoice	06/01/2023	Quorum-Takeform 2		-SPLIT-	5,258.33	5,258.33
Invoice	06/01/2023	Quorum-Takeform 2	Monthly Principle Payment	1200 · Accounts R...	-5,120.07	138.26
Invoice	06/01/2023	Quorum-Takeform 2	Interest due on this payment	1200 · Accounts R...	-138.26	0.00
Invoice	06/01/2023	LynOaken Farms Inc		-SPLIT-	1,752.08	1,752.08
Invoice	06/01/2023	LynOaken Farms Inc	Monthly Principle Payment	1200 · Accounts R...	-1,655.59	96.49
Invoice	06/01/2023	LynOaken Farms Inc	Interest due on this payment	1200 · Accounts R...	-96.49	0.00
Invoice	06/01/2023	MJZ Restaurant Group L...		-SPLIT-	1,125.59	1,125.59
Invoice	06/01/2023	MJZ Restaurant Group L...	Monthly Principle Payment	1200 · Accounts R...	-1,064.09	61.50
Invoice	06/01/2023	MJZ Restaurant Group L...	Interest due on this payment	1200 · Accounts R...	-61.50	0.00
Invoice	06/01/2023	Velocitii		-SPLIT-	8,898.53	8,898.53
Invoice	06/01/2023	Velocitii	Monthly Principle Payment	1200 · Accounts R...	-7,946.77	951.76
Invoice	06/01/2023	Velocitii	Interest due on this payment	1200 · Accounts R...	-951.76	0.00
Paym...	06/01/2023	Velocitii	OLRC Loan Pmt for 2023	1200 · Accounts R...	8,898.53	8,898.53
Paym...	06/01/2023	Velocitii	OLRC Loan Pmt for 2023	200.001 · OLR C...	-8,898.53	0.00
Paym...	06/05/2023	LynOaken Farms Inc		1200 · Accounts R...	1,752.08	1,752.08
Paym...	06/05/2023	LynOaken Farms Inc		200.004 · OLR C...	-1,752.08	0.00
Paym...	06/05/2023	ARG Services of WNY I...	OLRC Loan Pmt for June 2023	1200 · Accounts R...	2,674.66	2,674.66
Paym...	06/05/2023	ARG Services of WNY I...	OLRC Loan Pmt for June 2023	200.001 · OLR C...	-2,674.66	0.00
Check	06/06/2023	Roush C.P.A. PC	Accounting Service for May 2023	6650 · Accounting	-25.00	-25.00
Check	06/06/2023	OEDA	Accounting Service for May 2023	200.001 · OLR C...	25.00	0.00
Check	06/14/2023	Houseman's Landscapin...	Inv# 4379 Lawn Mowing for Bates Rd ...	6270 · Professiona...	-82.40	-82.40
Check	06/14/2023	OEDA	Inv# 4379 Lawn Mowing for Bates Rd ...	200.001 · OLR C...	82.40	0.00
Paym...	06/22/2023	MJZ Restaurant Group L...	OLRC Loan Pmt for July 2023	1200 · Accounts R...	1,125.59	1,125.59
Paym...	06/22/2023	MJZ Restaurant Group L...	OLRC Loan Pmt for July 2023	200.001 · OLR C...	-1,125.59	0.00
Check	06/28/2023	Orleans Economic Deve...	Activity Log Hrs for D Blanchard 2nd Qtr	6655 · Consulting	-851.39	-851.39
Check	06/28/2023	OEDA	Activity Log Hrs for D Blanchard 2nd Qtr	200.001 · OLR C...	851.39	0.00
Check	06/28/2023	Hurwitz Fine P. C.	Invoice 2045373 for general matters r...	6280 · Legal Fees	-616.40	-616.40
Check	06/28/2023	OEDA	Invoice 2045373 for general matters r...	200.001 · OLR C...	616.40	0.00
Check	06/28/2023	Orleans Economic Deve...	Move funds fromn OLR C and deposit...	8012 · Transfer to ...	-25,000.00	-25,000.00
Check	06/28/2023	OEDA	Move funds fromn OLR C and deposit...	200.001 · OLR C...	25,000.00	0.00
Check	06/28/2023	EFFR Group LLP	Client # 7101344 For the professional s...	6270 · Professiona...	-4,000.00	-4,000.00
Check	06/28/2023	OEDA	Client # 7101344 For the professional s...	200.001 · OLR C...	4,000.00	0.00
Check	06/28/2023	Mindful Media Group	Consulting 2023 Invoice # 1458	6270 · Professiona...	-4,000.00	-4,000.00
Check	06/28/2023	OEDA	Consulting 2023 Invoice # 1458	200.001 · OLR C...	4,000.00	0.00
Jun 23					0.00	0.00

AGREEMENT

Made as of the 26th day of January, 2023 by and between the **COUNTY OF ORLEANS INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation organized and existing under the laws of the State of New York with offices at 121 North Main Street, Albion, New York 14411 (hereinafter "COIDA"), and **H. SICHERMAN & COMPANY, INC.**, a New York Corporation with offices at 160 Washburn Street, Lockport, New York 14094 (hereinafter "Contractor")

WITNESSETH:

WHEREAS, COIDA issued a Request for Proposals on December 16, 2021 seeking technical services in connection with (1) the implementation and administration of the Economic Development Grants awarded by the New York State Office of Community Renewal (the "OCR") through the Community Development Block Grant ("CDBG") program for projects within Orleans County and (2) the administration, management and implementation of microenterprise grant funding and microenterprise programming; and

WHEREAS, the Contractor submitted a proposal to COIDA dated January 27, 2022 which is attached hereto as Exhibit A; and

WHEREAS, OCR has awarded a CDBG grant to the Village of Medina to assist Quorum Group, LLC, doing business as Takeform, in the acquisition and implementation of a new Enterprise Resource Planning (ERP) system to improve operations at its facility within the Village (the "Project"); and

WHEREAS, the parties hereto are desirous of entering into an agreement for the provision of services in connection with the Project by Contractor consistent with Contractor's proposal.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

SCOPE OF SERVICES

Contractor shall provide the following services as requested by COIDA:

1. The provision of technical assistance necessary for the administration of the OCR grant including, but not limited to assisting the Village of Medina and COIDA in the establishment and maintenance of books of account, developing and implementing management systems to provide appropriate recordkeeping, assistance in the procurement, selection, and award of contracts as necessary, preparation of required environmental review records, assurance of consistency with all federal requirements regarding procurement, labor standards, fair housing, and job creation., preparation of required reports and funding draws, oversight of audit activities and recordkeeping to ensure compliance with the rules, regulations, and policies of the OCR, preparation for and oversight of OCR monitoring process, preparation of grant closeout materials, and all other activities of a general administrative nature.

2. Assistance regarding the financing of the Project including the preparation of loan and deferred loan documents and provision of technical assistance as required to facilitate closing and disbursement of funds, procurement of project cost documentation and interface with companies as required to verify costs and satisfaction of any equity requirement, review of loan or grant disbursement documentation, technical assistance to ensure compliance with CDBG regulations regarding low-and-moderate income benefit, including assistance to the company regarding employment requirements and documentation, monitoring of employment and financial information, and other related services as required to ensure that all project activities are implemented in an effective and timely manner.

REMUNERATION

1. Contractor labor shall be charged at the following rates through December 31, 2023:

Harry Sicherman	.....	\$185.00 per hour
R. Charles Bell	.....	\$165.00 per hour
Michael Thomas	.....	\$145.00 per hour
Diane Church	.....	\$145.00 per hour
Michael Zimmerman	.....	\$145.00 per hour
Greg Merriam II	.....	\$130.00 per hour
Karen Burke/Admin. Assistant.....		\$ 115.00 per hour
Other Professional	.....	\$ 98.00 per hour
Rate in travel status	.....	\$ 80.00 per hour (all personnel)

The labor rates for services provided in subsequent calendar years will be computed by multiplying the rates in effect for the prior year by 1.03 and rounding up to the next whole dollar amount.

2. Travel by private automobile shall be charged at the maximum Federal reimbursement rate.
3. All other expenses shall be charged at cost.
4. Requisitions for payment shall be presented to COIDA by Contractor in a standard invoice format and shall include a reasonable description of labor charges and expenses, including copies of receipts where appropriate. Payment shall be made by COIDA within sixty (60) days of receipt of such requisition. For any delinquent payments due Contractor pursuant to this agreement, COIDA shall pay to Contractor a late fee equal to one percent (.01) per month of the overdue amount.
5. The total remuneration due Contractor under this Agreement shall not exceed the sum of sixteen thousand dollars (\$16,000.00).

MISCELLANEOUS

1. COIDA and any of its duly authorized representatives shall have access to any books, papers, documents, and records of Contractor which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.

2. Contractor shall retain all required records that are directly pertinent to this Agreement for four years after COIDA has made final payment under this Agreement and all other pending matters are closed.
3. Contractor agrees that none of its officers or employees will hold themselves out as, or claim to be, an officer or employee of COIDA or its agents, and that neither Contractor, nor any of its officers or employees will by reason therefore, make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of COIDA.
4. Contractor acknowledges and agrees that neither Contractor nor its agents, officers, or employees shall be covered by any Worker's Compensation Insurance policy or Disability Insurance policy maintained by COIDA, and that Contractor shall be solely responsible for maintaining such coverage to the extent required by law.
5. To the extent Contractor undertakes the performance of experimental, developmental, or research work pursuant to this Agreement, the Federal Government and the Village of Medina, as the recipient of the OCR CDBG grant, shall have patent rights in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the United States Department of Housing and Urban Development.
6. The parties to this Agreement shall be bound by, and comply with, all applicable Federal, State, and local laws and regulations, including, but not limited to, 2 CFR Part 200 and 24 CFR Part 570.
7. Contractor hereby indemnifies the Housing Trust Fund Corporation, its agents, and its employees from and against any and all claims, actions, damages, losses, expenses and costs of every nature, including reasonable attorney's fees, incurred by or assessed or imposed against the Housing Trust Fund Corporation, to the fullest extent permitted by law, arising out of any services provided by Contractor pursuant to this Agreement that are being funded in whole or in part with New York State CDBG funds.
8. To the fullest extent allowed by law, Contractor shall defend, indemnify and hold harmless COIDA, its employees, officers, directors and agents, against claims arising from work relative to this agreement. Contractor shall name COIDA as Additional Insured on a primary basis with waiver of subrogation on Contractor's General and Professional Liability policies as well as the Contractor's Auto Liability policies. Contractor shall provide proof of these insurance coverages and their Workers Compensation coverage to COIDA prior to commencing work for COIDA.
9. Contractor states it has complied with the New York State mandatory annual sexual harassment training requirements, and has provided each of its employees with a copy of its sexual harassment policy and the information presented at the training in English and, if different, the primary language of each employee.
10. Contractor represents that this Agreement will not result in the relocation of any industrial or commercial plant, facility or operation from one Labor Market Area (LMA) to another and that funding under this Agreement will not be used to assist directly the relocation of any industrial or commercial plant, facility, or operation, from one area to another area, if

the relocation is likely to result in a significant loss of employment in the labor market area (LMA) from which the relocation occurs.

11. The OCR, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.
12. This Agreement may be amended or otherwise modified only upon the written agreement of the parties.

TERM OF AGREEMENT

1. This Agreement shall become effective as of the date first above written.
2. This Agreement may be terminated by either party at any time without cause to be effected by written notification. Upon such termination, Contractor shall be entitled to receive remuneration for services provided up to and including the termination date.
3. This Agreement shall terminate no later than January 26, 2025
4. Contractor shall be entitled to be reimbursed by COIDA for the cost of services provided on or after January 26, 2023, being the effective date of this Agreement.

AGREED TO:

COUNTY OF OLRANS INDUSTRIAL DEVELOPMENT AGENCY

By: _____

Michael Dobell, CEO/CFO

H. SICHERMAN & COMPANY, INC.

By: _____

R. Charles Bell, President

EXHIBIT A

Contractor's Proposal

GRANT AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 2023 by and between the County of Orleans, a municipal corporation organized and existing under and by virtue of the laws of the State of New York and having its principal offices at 14016 Route 31 West, Albion, New York 14411, and hereinafter called "County", and the Orleans Land Restoration Corporation, a New York not-for-profit corporation having its principal offices at 121 Main Street, Albion, New York 14411, and hereinafter called "Corporation",

WITNESSETH THAT:

WHEREAS, the County has received Federal grant assistance in the amount of Six Hundred Seventy-Five Thousand Dollars (\$675,000.00), the ("Grant") from the New York State Housing Trust Fund Corporation (hereinafter the "HTFC") represented by the New York State Office of Community Renewal (hereinafter the "OCR") through the Community Development Block Grant (hereinafter "CDBG") Program (OCR Grant #857ED533-23) for the purpose of providing financing to assist Freeze-Dry Foods LLC, doing business as Thrive Foods (the "Company") in upgrading machinery and equipment and expanding operations at its production facility at 111 West Avenue in the Village of Albion within the County; and

WHEREAS, Corporation has the capacity to provide such financing to the Company and to administer such OCR grant in the best interests of the County, and

WHEREAS, Corporation is a not-for-profit corporation eligible to receive grants of CDBG funds pursuant to Section 105(a)(15) of the Housing and Community Development of 1974, as amended (42 USC 5305).

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

Section 1. Definitions

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

"Application" means County's grant application to OCR dated April 6, 2023 and accompanying submissions, and which is incorporated herein by reference and made a part hereof.

"CDBG" means Community Development Block Grant, a program of the United States Department of Housing and Urban Development.

"CDBG Funds" means Community Development Block Grant funds, including funds in the form of grants under 24 CFR Part 570, Subpart I, that are subject to Grant Agreement #719SB973-21-21 between the County and HTFC.

"Company" means Freeze-Dry Foods LLC, a Wyoming limited liability company authorized to do business in the State of New York and doing business as Thrive Foods.

"HTFC" means the New York State Housing Trust Fund Corporation.

"HUD" means the United States Department of Housing and Urban Development.

"OCR" means the Office of Community Renewal, an office of New York Homes and Community Renewal.

"OCR Grant" means the award of CDBG funds to the County by HTFC as represented by OCR and as evidenced by Grant Agreement #857ED533-23 between the County and HTFC dated May 16, 2023 such agreement being incorporated herein by reference and made a part hereof.

"Project" means the activities described in the Application that are to be undertaken by the Company in connection with the upgrading of machinery and equipment and expansion of operations at its production facility located at 111 West Avenue in the Village of Albion, New York.

Section 2. Statement of Work

2.1 Corporation shall make its best efforts to implement the Project by receiving from the County and using OCR Grant funds in the amount of Six Hundred Fifty-Nine Thousand dollars (\$659,000) to fund a loan and deferred loan to the Company in a manner consistent with the Application and with the rules and regulations of OCR. Such efforts shall include the following as appropriate:

(a) Take all actions necessary to effect a loan and deferred loan closing with the Company including, but not limited to the preparation of loan agreements, security agreements, notes, and other legal documents as appropriate and in a form consistent with standard commercial financing practices and applicable rules, regulations, and policies of the CDBG program and the OCR;

(b) Assure that all requisite OCR approvals are received prior to funding Project activities;

(c) Disburse the loan and deferred loan proceeds to the Company in a manner consistent with the Application, the rules, regulations, and policies of the CDBG program and the OCR, and standard commercial lending practices, and obtain appropriate documentation to evidence and support such disbursement;

(d) Include in its agreements with the Company requirements that the Company effect the Project as approved by OCR in a manner consistent with the laws, regulations, and policies of the CDBG program and the OCR; and

(e) Take all other reasonable actions as may be necessary to effect those portions of the Project to be funded with the OCR Grant proceeds as approved by OCR in a manner consistent with the laws, regulations, and policies of the CDBG program, except where such actions are the responsibility of the County pursuant to this Agreement.

2.2 Corporation shall perform, or cause to be performed, all administrative activities required pursuant to the OCR Grant including, but not limited to environmental review requirements, maintenance of books of account, procurement and maintenance of requisite

statistical information, citizen participation, periodic reporting, and grant closeout activities. Such administrative activities shall be provided for all Project activities financed in whole or in part with OCR Funds.

2.3 Corporation shall develop and use, or cause to be developed and used, appropriate forms and systems for the reporting and documentation of project costs, employment, and all other information required to be maintained pursuant to the rules, regulations, and policies of the CDBG program and the OCR.

2.4 Corporation shall procure appropriate documentation to evidence the Company's compliance with the loan conditions respecting employment, project expenditures, financing, and such other information as may be required pursuant to the rules, regulations, and policies of the CDBG program and the OCR, and shall at all times make such documentation and information available to the County or its agent.

2.5 All activities undertaken by Corporation with CDBG funds pursuant to this Agreement shall be eligible activities pursuant to the regulations at 24 CFR 570.482.

2.6 All CDBG costs incurred by Corporation pursuant to this Agreement shall be charged in conformance with 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

2.7 In accomplishing the Statement of Work as set forth in this Section 2, Corporation may use staff and/or contracted services. It is acknowledged that Corporation will use staff of the County of Orleans Industrial Development Agency ("COIDA") and consultants retained by COIDA in accomplishing the Statement of Work under this Agreement. To the extent that contracted services are used, such use shall be in accordance with the provisions of 2 CFR Part 200.

2.8 Corporation shall make its best efforts to accomplish the Statement of Work as described in this Section 2 in an expeditious manner.

Section 3. Disbursements of CDBG Funds

The County shall provide a grant of CDBG Funds to Corporation in an amount not to exceed Six Hundred Seventy-Five Thousand dollars (\$675,000.00) in the performance of the terms of this Agreement, said amount to be disbursed in the following manner:

3.1 At any time, Corporation may requisition the County to draw CDBG Funds from OCR for the purpose of disbursing loan funds to the Company. The County shall be responsible for effecting any such draws of CDBG Funds in a timely manner upon requisition by Corporation. The County shall disburse CDBG Funds so drawn to Corporation no more than three (3) business days after receiving such CDBG Funds from OCR. The cumulative amount of CDBG Funds provided by the County to Corporation for the purpose of disbursing the loan to the Company shall not exceed the sum of Six Hundred Fifty-Nine Thousand dollars (\$659,000.00).

3.2 Corporation may, at any time, requisition the County to draw and pay from CDBG Funds amounts due Corporation for program delivery and administrative services provided pursuant to Section 2 of this Agreement. Such requisitions shall include an appropriate accounting of all charges to be paid from CDBG Funds. The cumulative amount of CDBG

Funds provided by the County to Corporation for the purpose of funding program delivery and administrative costs shall not exceed the sum of Sixteen Thousand dollars (\$16,000.00). Corporation acknowledges and agrees that any CDBG-eligible third-party program delivery and administrative costs related to the OCR Grant that are incurred directly by the County including, but not limited to the CDBG-eligible portion of costs associated with any audits required pursuant to the OCR Grant, may, at the County's sole discretion, be paid from CDBG Funds and, if so paid, the cumulative amount of CDBG Funds available to Corporation pursuant to this Section 3.2 shall be reduced by the amount of CDBG Funds expended for such costs.

3.3 Where Corporation uses CDBG Funds to pay general administrative and program delivery costs, such costs must be necessary, reasonable, and directly related to the work performed in accordance with this Agreement. For the reimbursement of such costs, the following shall apply:

(i) Direct costs of Corporation must be documented by timesheets, invoices, or other appropriate information to evidence the nature of the cost. Such costs may include, but are not limited to employee salaries, benefits, and other compensation at rates not to exceed those paid by Corporation for work not provided pursuant to his Agreement, and actual costs of legal and other professional services, materials, equipment, bonding, and insurance incurred by Corporation; and

(ii) Indirect costs of Corporation may be reimbursed only where a written plan for the charging of such costs has been approved by OCR. Such costs are those which are charged as a percentage of direct costs and may include occupancy and equipment costs (including depreciation), maintenance, repair, and similar costs which are to be charged on a prorated basis.

Section 4. CDBG Grant

4.1 The County and Corporation acknowledge and agree that the CDBG Funds provided to Corporation pursuant to this Agreement shall be in the form of a grant pursuant to Section 105(a)(15) of the Housing and Community Development of 1974, as amended (42 USC 5305), and that, consistent with the provisions of 24 CFR 570.489(e)(2)(ii), any income received by Corporation resulting from Corporation's use of CDBG Funds pursuant to this Agreement is not CDBG Program Income and may be retained and used by Corporation without restriction.

Section 5. Federal Contract Requirements

To the extent applicable to the services provided by Corporation under this Agreement, Corporation shall comply with the following requirements. In addition, Corporation shall include such provisions in any contracts it executes in accomplishing the Statement of Work as described in this Section 2.

5.1 Equal Employment Opportunity. All construction contracts awarded in excess of \$10,000 shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

5.2 Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 3145). All contracts and subgrants in excess of \$2000 for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), prohibiting a contractor from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. All suspected or reported violations shall be reported to HUD.

5.3 Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). All construction contracts of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3148) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"), requiring contractors to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. A copy of the current prevailing wage determination issued by the Department of Labor shall be placed in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. All suspected or reported violations shall be reported to HUD.

5.4 Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). All construction contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), as supplemented by Department of Labor regulations (29 CFR part 5), requiring each contractor to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours and allowing work in excess of the standard work week provided that the worker is compensated at a rate of not less than 1½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous on federal and federally financed and assisted construction projects. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5.5 Patent Rights to Inventions Made Under a Contract or Agreement. In the event services include the performance of experimental, developmental, or research work, the Federal Government and the recipient of the OCR Grant shall have patent rights in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

5.6 Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended. Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

5.7 Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 1701u), as amended, and its associated regulations (24 CFR Part 75). All contracts subject to Section 3 shall include such provisions as are required under 24 CFR Part 75.

5.8 Anti-Job Pirating 24 CFR 570.482 (h). CDBG Funds will not be used to assist directly the relocation of any industrial or commercial plant, facility, or operation, from one area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area (LMA) from which the relocation occurs.

Section 6. Financial Management

6.1 Corporation shall comply with the "Standards for Financial Management Systems" set forth at 2 CFR Part 200, Subpart D.

6.2 Corporation shall comply with the audit requirements of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

Section 7. Reports and Information

7.1 At such time and in such forms as OCR or the County directs, Corporation shall submit to the County any statements, records, reports, data and information required by OCR or the County pertaining to matters and services covered by this Agreement.

7.2 Corporation shall retain all records that are directly pertinent to this Agreement for three years after the OCR Grant and all other pending matters have closed.

Section 8. Inspection of Records/Monitoring

8.1 At any time during normal business hours and as often as the County may deem necessary, Corporation shall make available to the County or its agents all of its records with respect to matters covered by this Agreement, and Corporation shall permit the County or its agents to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, reports of personnel, conditions of employment and other data relating to all matters covered by this Agreement. In addition, the OCR, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the Corporation which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

8.2 The Corporation will be subject to monitoring by the County to ensure compliance with all of the requirements outlined in this Agreement. Areas to be monitored shall include financial management, cost allowability, cost allocation, project review, and records review.

Section 9. Assignment by Corporation

9.1 Corporation represents that its rights, obligations and duties under this Agreement shall not be assigned in whole or in part without the prior written consent of the County.

Section 10. Additional Provisions of Law to be Complied With

10.1 Corporation and the County agree to comply with applicable Federal, State and local laws, rules and regulations, including, but not limited to, 2 CFR Part 200 and 24 CFR Part 570, and any future revisions thereto, in the performance of this Agreement.

Section 11. Indemnification

11.1 Corporation shall defend, indemnify, and hold harmless HTFC and the County and their respective agents and employees from and against any and all claims, actions, damages, losses, expenses, and costs of every nature and kind, including reasonable attorney's fees, incurred by or asserted or imposed against HTFC or the County, to the fullest extent permitted by law, arising out of Corporation's performance of the Statement of Work as set forth at Section 2 of this Agreement, except to the extent that such claims, actions, damages, losses, expenses, and costs arise from an inability of Corporation to perform the Statement of Work due to a failure by the County to perform its obligations under this Agreement.

Section 12. Supersedure of Prior Agreements

12.1 This Agreement shall supersede all prior agreements, both written and oral, between the parties respecting the use of CDBG Funds awarded by OCR for implementation of the Project.

Section 13. Amendments

13.1 This Agreement may be amended only by the mutual written consent of County and Corporation.

Section 14. Notices

14.1 Any action, notice, or request taken, given, or made by the Supervisor of the County (or such other person or persons as the County may, by written notice to Corporation, designate for such purpose) to Corporation hereunder shall be deemed to be duly and properly given or made if mailed, postage prepaid, to: Orleans Land Restoration Corporation, 121 North Main Street, Albion, New York 14411 or delivered personally to Corporation. Any action, notice, or request taken, given, or made by the Chief Executive Officer of the Corporation (or such other person or persons as Corporation may, by written notice to the County, designate for such purpose) to the County hereunder shall be deemed to be duly and properly given or made if mailed, postage prepaid, to: Chair, Orleans County Legislature, 14016 Route 31 West, Albion,

New York 14411 or delivered personally to the County.

Section 15. Term of Agreement

15.1 This Agreement shall become effective as of the date first above written.

15.2 The County shall be obligated to reimburse Corporation for the cost of services provided prior to the effective date of this Agreement if such services: (i) were provided on or after the date of the Agreement between the County and the New York State Housing Trust Fund Corporation respecting the OCR Grant; (ii) represent eligible costs pursuant to the OCR Grant; and (iii) were provided in a manner consistent with all other provisions of this Agreement.

15.3 This Agreement may be terminated by the County upon Corporation's failure to make a loan or deferred loan to the Company consistent with Section 2.1 of this Agreement by March 1, 2025. Such termination shall be effected by written notification to Corporation by the County and shall state an effective date of the termination that is no earlier than fourteen (14) days after the date of such written notification.

Section 16. Reimbursement of Grant Funds

16.1 In the event that (i) OCR shall make a finding regarding the implementation of the Project that requires the County to pay to OCR or to HTFC, or to reimburse to the County's CDBG account from non-CDBG Funds, any amount of the OCR Grant funds, and (ii) it is expressly stated by OCR that such OCR finding resulted in whole or in part from Corporation's and/or the Company's failure to meet its obligations pursuant to this Agreement in a manner acceptable to OCR; then the County shall have the right to receive from Corporation, and Corporation shall have the obligation to pay to the County, the lesser of (a) a sum equal to the amount the County is required by the OCR finding to pay to OCR or reimburse to the County's CDBG account, or (b) the amount of CDBG Funds disbursed to Corporation by the County pursuant to this Agreement. The County shall exercise such right of receipt by written notification to Corporation which includes an assertion of such right, the amount of Corporation's obligation, and written evidence of the applicable OCR finding. Corporation shall effect such payment to the County within twenty-one (21) calendar days of its receipt of such notification.

16.2 In lieu of effecting its full payment obligation pursuant to Section 16.1 of this Agreement in cash funds, Corporation may elect to make an assignment to the County of any and all obligations of the Company originating from Corporation's use of OCR Grant funds. In the event that funding was provided to the Company in the form of a loan and/or deferred loan, such assignment shall include promissory notes and any other loan instruments executed in connection therewith and the total amount of Corporation's obligation to the County pursuant to Section 16.1 of this Agreement shall be reduced by the total principal amount owing on the note or notes so assigned; provided, however, for the purposes of this Section 16.2, principal amounts owing shall not include principal amounts that are subject to express conditional forgiveness provisions of any note, unless the conditions for forgiveness have not been satisfied and the obligation of the Company to repay such principal amounts has been or can be accelerated under the terms of the note or other loan instruments. In the event that funding was provided to the Company in the form of a grant, such assignment shall include the grant agreement between the Corporation and the Company, including any rights of the Corporation to require the Company to reimburse the grant funds in accordance with the terms thereof, and


the total amount of Corporation's obligations to the County pursuant to Section 16.1 of this Agreement shall be reduced by the amount of grant proceeds which are reimbursable by the Company.

16.3 Notwithstanding any other provision of this Section 16, in the event that (i) OCR effects a closeout of the OCR Grant, and (ii) at the time of such closeout, there are no pending monetary findings by OCR that resulted in whole or in part from Corporation's and/or the Company's failure to meet their respective obligations in a manner acceptable to OCR, then Corporation's performance of the Statement of Work shall be deemed satisfactory and Corporation shall henceforth have no payment obligations to the County pursuant to this Agreement.

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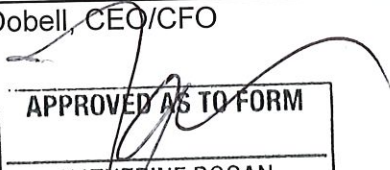
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized offices as of the day and year first above written.

COUNTY OF ORLEANS, NEW YORK

By: 
Lynne Johnson, Chair

ORLEANS LAND RESTORATION CORPORATION

By: Michael Dobell, CEO/CFO


APPROVED AS TO FORM
KATHERINE BOGAN
Orleans County Attorney

APPROVED
Orleans County Legislature
Date: 1/29/23 Resolution No.: 63-123

ACKNOWLEDGMENT OF SIGNATORY(IES)

State of New York)
)ss
County of Orleans)

On the 6 day of July in the year 2023 before me, the undersigned, a Notary Public in and for said state, personally appeared Lynne Johnson, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

LISA D. STENSHORN
Notary Public, State of New York
No. 01ST6042776
Qualified in Orleans County
Commission Expires June 5, 2026



Signature of Notary Public

ACKNOWLEDGMENT OF SIGNATORY(IES)

State of New York)
)ss
County of Orleans)

On the day of in the year 2023 before me, the undersigned, a Notary Public in and for said state, personally appeared Michael Dobell, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature of Notary Public

the Harrison Studio
160 Washburn Street, Suite 200
P.O. Box 473
Lockport, New York 14095
Tel: (716) 462-6600
Fax: (716) 201-1738

My understanding is that there will be a change in ownership of Velocitii and the question is whether the OLRC can closeout their existing loans with the company that were funded through a New York State Office of Community Renewal (OCR) grant to the Town of Ridgeway. There are two loans in question:

The term loan does not have a pre-payment penalty, so the company can pay off the remaining balance and thereby satisfy the terms and conditions of the loan.

The deferred loan will need to be forgiven by the OLRC. That is a decision to be made by the OLRC and the OCR will not need to be, or want to be, consulted on the matter.

The terms for forgiveness in accordance with the agreement between the OLRC and the company are as follows:

2.04 Deferred Loan Forgiveness. The Deferred Loan and any interest owing thereon shall be forgiven by Lender if, at the end of the Deferred Loan term:

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

(b) Borrower shall be in substantial compliance with all of the covenants, conditions and obligations of this Agreement and any other Loan Document (as hereinafter defined) and the Loan shall have been paid in full;

(c) OCR shall not have made a finding regarding the implementation or administration of the Project that (i) requires Town to pay to OCR, or to reimburse to the Town's CDBG account from non-CDBG Funds, any amount of the CDBG Funds, and (ii) expressly states that such finding resulted in whole or in part from Borrower's failure to meet its obligations pursuant to this Agreement in a manner acceptable to OCR; and

(d) Lender shall have received a written close-out of the OCR Grant. Borrower acknowledges and agrees that OCR's issuance of a written closeout of the OCR Grant will require Borrower's compliance with the terms and conditions of this Agreement.

Now that the OCR has monitored the project and issued their monitoring letter, conditions A, B, and C have been met. It is likely to take a minimum of a year for the OCR to issue a written close-out because the OCR needs to "close out" their funding agreement with the US Department of Housing and Urban Development for all projects funded through the same HUD grant Velocitii was funded through. Essentially, this is a procedural delay and has nothing to do with the Velocitii/Ridgeway project or grant. I can not foresee a situation whereby the OCR would look to recapture any of the issued grant funds from the Town of Ridgeway/OLRC, and have a high level of confidence saying that the OLRC's decision as to whether or not to forgive the loan does not need to be influenced by OCR-related considerations.

Please feel free to contact me with any questions, or for additional clarification.

Chuck Bell
President

LOAN AGREEMENT

THIS LOAN AGREEMENT, entered into this 25th day of October, 2022 by and between ORLEANS LAND RESTORATION CORPORATION, a New York not-for-profit corporation having its principal offices 121 North Main Street, Albion, New York 14411 (hereinafter the "Lender"), and VELOCITII, LLC, a New York limited liability company having offices and a place of business at 711 Park Avenue, Suite 500, Medina, New York 14103 (hereinafter the "Borrower")

WITNESSETH:

WHEREAS, the Town of Ridgeway, New York (hereinafter the "Town") has received Community Development Block Grant funding for the purpose of providing financing to Borrower to support Borrower's expansion of its business process outsourcing operations at its facility at 711 Park Avenue within the Town; and

WHEREAS, pursuant to a Grant Agreement between the Town and the Lender dated September 9, 2021, the Town will provide such Community Development Block Grant funding to Lender for the purpose of making a loan or loans to Borrower.

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

Section 1. Definitions

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

1.01 "Application" means Town's grant application to the Office of Community Renewal dated July 29, 2021 for funding under the Community Development Block Grant program and any additional submittals by the Borrower to support the Application, with such Application and submittals being incorporated herein by reference and made a part hereof.

1.02 "CDBG" means Community Development Block Grant, a program of the United States Department of Housing and Urban Development.

1.03 "CDBG Funds" means Community Development Block Grant funds, including funds in the form of grants under 24 CFR Part 570, Subpart I, and Program Income as defined at 24 CFR 570.489(e).

1.04 "HTFC" means the New York State Housing Trust Fund Corporation.

1.05 "HUD" means the United States Department of Housing and Urban Development.

1.06 "Labor Market Area" shall have the meaning defined at 24 CFR 570.482(h)(2)(ii).

1.07 "OCR" means the Office of Community Renewal, an office of New York Homes and Community Renewal.

1.08 "OCR Grant" means the award of CDBG funds to Town by HTFC as represented by OCR and as evidenced by Grant Agreement #987ED991-21 between the Town and HTFC

dated September 9, 2021.

1.09 "Project" means the activities described in the Application that are to be undertaken by Borrower in connection with its expansion of its business process outsourcing operations at its facility at 711 Park Avenue in the Town of Ridgeway, including the construction of leasehold improvements, the purchase of furnishings, fixtures, and equipment, and the incurrence of working capital expenses to support the expanded operations.

1.10 "Town" means the Town of Ridgeway, a municipal subdivision of the State of New York.

1.11 "Town Agreement" means the Grant Agreement dated September 9, 2021 between Town and Lender, pursuant to which the Town will make a grant to Lender for the purpose of funding the Loan and Deferred Loan (as such terms are hereinafter defined), such Grant Agreement being incorporated herein by reference and made a part hereof.

SECTION 2. LOAN, GRANT, AND SECURITY

2.01 The Commitment. Subject to the terms and conditions of this Agreement and subject to Lender's receipt of sufficient funds pursuant to the Town Agreement, Lender agrees to make a loan to Borrower in an aggregate principal amount of Two Hundred Seventy-Five Thousand and 00/100 dollars (\$275,000.00) (hereinafter the "Term Loan"), and a deferred loan to Borrower in the aggregate principal amount of Two Hundred Seventy-Five and 00/100 dollars (\$275,000.00) (hereinafter the "Deferred Loan"). The Term Loan shall be repaid over a three (3) -year term including interest at the rate of 4.69% per annum. The Term Loan shall be evidenced by one or more promissory notes (the "Note" or "Notes") and secured as herein provided. The Deferred Loan shall have a three (3) -year term, shall be evidenced by one or more promissory notes (the "Note" or "Notes"), shall be secured as herein provided, and shall bear no interest except in the event of a default as provided for in the Note. The Term Loan and Deferred Loan shall hereinafter be collectively referred to as the "Loans".

2.02 Term Loan Repayment. Provided that no Event of Default, as defined herein, has occurred and is then continuing, the Company shall not be required to make any payments on this note through and including January 31, 2023. Commencing on February 1, 2023, and on the first day of each and every month thereafter, Borrower shall make equal monthly payments of principal and interest sufficient to fully amortize the Term Loan over the term of the Term Loan as more fully set forth in the Note(s).

2.03 Deferred Loan Repayment. No payments of principal or interest shall be required during the Deferred Loan term. Unless forgiven by Lender in accordance with this Agreement, the principal balance of the Deferred Loan and any interest owing thereon shall become due and payable at the end of the Deferred Loan term as specified in the Note or Notes.

2.04 Deferred Loan Forgiveness. The Deferred Loan and any interest owing thereon shall be forgiven by Lender if, at the end of the Deferred Loan term:

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

(b) Borrower shall be in substantial compliance with all of the covenants, conditions and obligations of this Agreement and any other Loan Document (as hereinafter defined) and the Loan shall have been paid in full;

(c) OCR shall not have made a finding regarding the implementation or administration of the Project that (i) requires Town to pay to OCR, or to reimburse to the Town's CDBG account from non-CDBG Funds, any amount of the CDBG Funds, and (ii) expressly states that such finding resulted in whole or in part from Borrower's failure to meet its obligations pursuant to this Agreement in a manner acceptable to OCR; and

(d) Lender shall have received a written close-out of the OCR Grant. Borrower acknowledges and agrees that OCR's issuance of a written closeout of the OCR Grant will require Borrower's compliance with the terms and conditions of this Agreement.

2.05 Use of Proceeds. The Term Loan and Deferred Loan proceeds shall be used by Borrower to finance working capital expenses associated with the Project and incurred on or after October 15, 2021.

2.06 Collateral. As security for repayment of the Term Loan and Deferred Loan, Borrower shall give to Lender a perfected security interest in all assets of Borrower which shall be subject only to prior liens approved by Lender.

2.07 Authorization to Perfect Security Interest. Lender may execute and file any instrument necessary to perfect its security interest in the collateral described in Section 2.06 of this Agreement without the necessity of Borrower signing such instrument.

2.08 Guarantees. Repayment of the Term Loan and Deferred Loan shall be additionally secured by the unconditional corporate guaranty of Talis Equity, LLC (the "Guarantor").

2.09 Life Insurance. Intentionally omitted.

2.10 Subordination of Member, Officer, and Other Loans. All indebtedness of Borrower to any of Borrower's members or officers shall be subject to a subordination agreement in form and substance satisfactory to Lender. Borrower agrees that it shall not pay any interest or principal on such indebtedness until such time as the Term Loan has been paid in full and the Deferred Loan has been paid or forgiven in accordance with this Agreement.

2.11 Disbursement of Proceeds. The Term Loan and Deferred Loan proceeds shall be disbursed in the following manner:

(a) Lender shall not be obligated to disburse any Term Loan or Deferred Loan proceeds until each of the following has occurred:

(i) Borrower shall have executed all documents evidencing and securing the Term Loan and shall be in compliance therewith and no Event of Default, as hereinafter defined, shall have occurred;

(ii) Borrower shall have presented evidence satisfactory to Lender that all Term Loan and Deferred Loan proceeds to be disbursed represent paid or accrued expenses of Borrower which are eligible Project costs as described in the Application (or in any approved budget modifications thereto) and which were incurred on or after October 15, 2021;

(iii) Borrower shall have presented evidence satisfactory to Lender that all sources of Project financing as described in the Application have been committed or disbursed.

(iv) Borrower shall have presented evidence satisfactory to Lender that the Project as described in the Application either (i) has been completed, or (ii) is being implemented and will be completed within a reasonable period of time as determined by Lender.

(b) Lender shall not be obligated to disburse Term Loan or Deferred Loan proceeds that exceed an aggregate amount equal to forty percent (40%) of total documented Project Costs expended as of the date of the Term Loan or Deferred Loan disbursement.

(c) Borrower's request to receive Term Loan and Deferred Loan proceeds shall be made in writing to Lender and shall include a schedule detailing the total amount being requested and a reasonable breakdown of the amount by line item and/or subcontract.

(d) Lender shall have the right, at its sole option, to disburse all or any portion of the Term Loan and Deferred Loan proceeds by making payment directly to a contractor, subcontractor, or vendor to pay accrued expenses of Borrower which represent eligible Project costs.

(e) No Deferred Loan proceeds shall be disbursed to Borrower until all Term Loan proceeds have been disbursed.

(f) Notwithstanding any other provision of this Section 2.11, Lender shall not be obligated to disburse any Loan proceeds to Borrower that are requested by Borrower after September 8, 2023 or if an Event of Default has occurred.

SECTION 3. REPRESENTATIONS AND WARRANTIES

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

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

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

3.03 No Legal Bar to Loans. The execution, delivery and performance of this Agreement and the Loan Documents will not, to the Borrower's knowledge, violate any provision of any existing law or regulation or of any order or decree of any court or governmental instrumentality, or any mortgage, indenture, contract or other agreement to which Borrower is a

party or by which Borrower and any of its property or assets may be bound, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of its properties pursuant to the provisions of any such mortgage, indenture, contract or other agreement except as provided in Section 2.06 hereof.

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

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

3.06 No Default; No Pledge of Assets. Borrower is not in default in the payment of any municipal, state or federal tax, and no assets of Borrower are pledged for the payment of any indebtedness except as provided in Section 2.06 hereof or as otherwise disclosed to and approved by Lender.

3.07 Ownership of Properties; Liens. Borrower has good and marketable title to all of its properties and assets, real and personal, and none of such properties and assets are subject to any mortgage, lien, pledge, charge, encumbrance, security interest or title retention or other security agreement or arrangement of any nature whatsoever except as provided in Section 2.06 hereof or as otherwise disclosed to and approved by Lender.

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

3.09 Job Relocation Statement. The Project will not result in the relocation of any industrial or commercial plant, facility or operation from one Labor Market Area (LMA) to another.

3.10 No Duplication of Benefits. None of the Project costs to be reimbursed with the Grant proceeds were paid from any other business assistance program or relief benefits from any other source, including, but not limited to, any program funded under the CARES Act or other COVID-19 relief legislation, such as the Paycheck Protection Program or Economic Injury Disaster Loans.

SECTION 4. CONDITIONS OF LENDING.

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

4.01 Compliance with this Agreement. At the time of the making of the Loans or any advance thereof, Borrower shall have complied, and then be in compliance with, all the terms, conditions, covenants, representations and warranties herein set forth, as set forth in the

Application, and as set forth in all documents executed in connection with the Loans including without limitation, the Note, Security Agreement, any subordination agreement, intercreditor agreements, landlord waiver(s), and UCCs, and there shall exist no event of default under any document executed by and between Lender and Borrower evidencing or securing the Loans.

4.02 Member Action. Lender shall, at the time of the making of the Loans, have received copies of all papers evidencing all action taken by the members of Borrower, and all legal matters incident to the Loans shall be satisfactory to the counsel for Lender.

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

4.04 Opinion of Borrower's Counsel. Counsel for the Borrower shall have delivered to Lender, in form and substance satisfactory to Lender and its counsel, an opinion that the Borrower has the power to execute and deliver the documents required under this Agreement and that all action of the Borrower has been properly authorized.

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

4.06 Title Insurance. Intentionally omitted.

4.07 Municipal Compliance. Intentionally omitted.

4.08 Flood Hazard. Intentionally omitted.

4.09 Insurance.

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

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

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

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

SECTION 5. AFFIRMATIVE COVENANTS

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

5.01 Financial Statements. Furnish to Lender as soon as possible, but in any event not later than one hundred twenty (120) days after the close of each fiscal year of Borrower, an accountant-prepared financial statement including a Balance Sheet, Statements of Income and Retained Earnings, and Statement of Cash Flows of Borrower and any of its subsidiaries for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal period (if applicable), all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and with prior periods.

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

5.03 Maintenance of Properties; Insurance. Keep all properties useful and necessary in the business of Borrower in good working order and condition; maintain, with financially sound and reputable insurance companies, insurance on all of its properties (both real and personal) in an amount not less than full replacement value, against such risks as are usually insured against in the same general area and by companies engaged in the same or a similar business; name Lender as a lender loss payee on such insurance; and furnish to Lender, upon written request, full information as to the insurance carried.

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

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

5.06 Records Retention. Retain all records and books of account that are directly pertinent to this Agreement for three (3) years after the OCR Grant and all pending matters have closed.

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

5.08 Litigation. Promptly give notice in writing to Lender of all litigation and of all proceedings before any governmental or regulatory agency against Borrower, or any subsidiary, or any of their properties, except litigation or proceedings not materially affecting the financial condition of Borrower or any subsidiary.

5.09 Notices.

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

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

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

5.10 Compliance With Federal Statutes. Comply with all of the following requirements as applicable:

(a) Title VI of the Civil Rights Act of 1964 {42 U.S.C. 2000d *et seq.*}, which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

(b) Section 109 of the Housing and Community Development Act of 1974 (the "Act"), as amended, and the implementing regulations at 24 CFR 570.602, which require that no person in the United States shall on the ground of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to the Act. Section 109 of the Act, and the implementing regulations at 24 CFR Part 146 and 24 CFR Part 8 further provide for the prohibition of discrimination on the basis of age under the Age Discrimination Act of 1975 {42 U.S.C. 6101 *et seq.*}, or with respect to an otherwise qualified handicapped person as provided in section 504 of the Rehabilitation Act of 1973 {29 U.S.C. 794}.

(c) The Housing and Community Development Act of 1974, as amended, and the implementing regulations at 24 CFR Part 570.

(d) If Loan proceeds are used for construction in excess of \$2,000.00, Section 110 of the Housing and Community Development Act of 1974 (the "Act"), as amended, which requires that all laborers and mechanics employed by contractors or subcontractors on construction work financed in whole or in part with assistance received under the Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 3141-3148), and which further requires compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

(e) If Loan proceeds are used for construction, the Copeland "Anti-Kickback" Act (17 U.S.C. 874 and 40 U.S.C. 3145) as supplemented in Department of Labor regulations (29 CFR Part 3).

(f) The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4021a).

(g) Executive Order 11246, as amended by Executive Order 12086, and the regulations issued pursuant thereto (41 CFR Chapter 60) which provided that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts. The Borrower's compliance shall include causing all contractors and subcontractors providing labor services to be paid from Term Loan proceeds to comply with the provisions of Executive Order 11246, as amended by Executive Order 12086.

(h) The requirements of the Americans with Disabilities Act of 1990, as amended.

(i) The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), and the implementing regulations contained in 24 CFR 570.608, respecting prohibition against the use of lead-based paint, notification of hazards of lead-based paint poisoning, and elimination of lead-based paint hazards.

(j) Standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.).

(k) In the event services include the performance of experimental, developmental, or research work, the Federal Government and the Town shall have patent rights in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

(l) All contracts subject to Section 3 of the Housing and Community Development Act of 1968, as amended (12 U.S.C. 1701u), shall include such provisions as required under 24 CFR Part 75.

(m) CDBG Funds shall not be used by Borrower to directly assist in the relocation of any industrial or commercial plant, facility, or operation from one Labor Market Area (as such term is defined at 24 CFR 570.482(h)(2)(ii) and is hereinafter referred to as "LMA") to another LMA if the relocation is likely to result in a significant loss of employment (as such term is defined at 24 CFR 570.482(h)(2)(iv)) in the LMA from which the relocation occurs.

5.11 Additional Federal, State, and Local Requirements. Be bound by, and comply with, all applicable Federal, State, and local laws and regulations, including, but not limited to, 24 CFR Part 200 and 24 CFR Part 570.

5.12 Completion of Project. Undertake and complete the Project in accordance with the Application and this Loan Agreement. Borrower acknowledges that the Loans are funded with monies provided through the CDBG program and is made available under a grant from OCR to the Town and agrees to complete the Project as approved by OCR in a manner consistent with the laws, regulations and policies of the CDBG program.

5.13 Project Cost Documentation. In the manner prescribed by the OCR, provide to Lender an accounting of all Project costs and documentation that such costs have been incurred by Borrower and have been paid.

5.14 Disclosure of Other Assistance. Notify Lender of (a) other business assistance or relief benefits received by Borrower from any other source, including, but not limited to, any assistance funded under the CARES Act or other COVID-19 relief legislation, such as the Paycheck Protection Program or Economic Injury Disaster Loans and (b) the use of such assistance or relief benefits, for the purpose of verifying that none of the costs funded or to be funded under this Agreement were paid for with such assistance.

SECTION 6. NEGATIVE COVENANTS

Borrower hereby covenants that so long as the Loans remain outstanding and unpaid, Borrower will not, directly or indirectly, without the prior written consent of Lender which consent shall not be unreasonably withheld, do the following:

6.01 Indebtedness. Incur, create, assume or otherwise become obligated in respect of, or permit to be outstanding, any indebtedness for money borrowed or indebtedness evidenced by a written note or instrument, except indebtedness incurred in the ordinary course of business, indebtedness secured by a purchase money security interest given by Borrower, or indebtedness incurred pursuant to or permitted by this Agreement or otherwise approved by Lender.

6.02 Mergers, Transfers of Assets. Merge or consolidate with any other company or individual, sell, lease, transfer or otherwise dispose of (a) assets (other than in the ordinary course of business) having a book value or fair market value (whichever is greater) of more than 5% of its net worth, or (b) any shares of stock of any subsidiary.

6.03 Guarantees by Borrower. Guaranty or otherwise become liable upon the obligations of any other person, firm or corporation except by endorsement of negotiable instrument for deposit or collection in the ordinary course of business and except as permitted by this Agreement.

6.04 Investments. Make any investment in, capital contributions to, or permit to be outstanding any loan, advance, extension of credit to, or purchase, acquire, or incur any liability for the purchase or acquisition of, any business, assets or securities of any person, firm or corporation except (a) loans, advances or extensions of credit on account of sales on credit in the ordinary course of business; (b) investments in obligations of the United States or its agencies; or (c) Certificates of Deposit of domestic banks having assets in excess of \$75,000,000.00.

6.05 Disposition of Collateral. Directly or indirectly, without the prior written consent of Lender, sell, transfer, relocate or otherwise dispose of the collateral for the Loans.

6.06 Use of Other Assistance. Utilize any business assistance or relief benefits from any other source, including, but not limited to, any assistance funded under the CARES Act or other COVID-19 relief legislation, such as the Paycheck Protection Program or Economic Injury Disaster Loans, to fund any costs that will be submitted for reimbursement under this Agreement.

SECTION 7. EMPLOYMENT

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

(a) "Covered Jobs" means any and all employment positions created by Borrower on or after September 9, 2021 and as a direct result of the Project, notwithstanding any estimates of Covered Jobs provided by Borrower for the Application.

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

(c) "Family" means all persons living in the same household who are related by birth, marriage or adoption.

(d) "Household" means all persons who occupy a common housing unit.

(e) "Low- and Moderate-Income Person" means a member of a family having an income equal to or less than the applicable Section 8 lower income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

7.02 Compliance with Federal Requirements. Borrower acknowledges that the Loans evidenced by this Agreement are subject to the requirements of Federal statute and regulation relative to the use of Community Development Block Grant funds, and that Borrower's agreement to accept the loan funds pursuant to this Agreement requires Borrower's compliance with regulations set forth in 24 CFR Part 570, and policies and procedures implemented thereunder by HUD, the United States Department of Labor, OCR, and such other Federal and State agencies as are or may in the future be charged with the responsibility of monitoring both Borrower's and Lender's compliance with low- and moderate-income benefit requirements.

7.03 Employment Undertaking. Borrower agrees to make a minimum of 51% of the Covered Jobs available to Low- and Moderate-Income Persons. For the purpose of this Agreement, a Covered Job will be considered to be available to Low- and Moderate-Income Persons if all of the following apply:

(a) The Covered Job does not require special skills that can only be acquired with substantial training, work experience, or education beyond high school (unless Borrower agrees to provide appropriate training to unqualified persons);

(b) Borrower uses a hiring practice that encourages Low- and Moderate-Income Persons to be applicants; and

(c) Borrower gives first consideration in hiring to qualified Low- and Moderate-Income Persons.

7.04 Job Calculation. In calculating Covered Jobs and the availability of Covered Jobs to Low- and Moderate-Income Persons, the following will apply:

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

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

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

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

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

- (i) The applicant's name and address;
- (ii) The applicant's family size, family income, race, ethnicity, gender, handicapped status, female-headed household status, elderly status, and unemployment status;
- (iii) The applicant's status with respect to hiring for a Covered Job; and
- (iv) If applicable, the reason(s) that an applicant who is a Low- and Moderate-Income Person was not hired for a Covered Job.

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

- (i) The job title and its availability to Low- and Moderate-Income Persons;
- (ii) Whether a Low- and Moderate-Income Person was hired for the job;
- (iii) The salary or wage for the job and whether health benefits are offered for the job; and
- (iv) A description of the hiring process for the job.

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

7.06 Schedule of Employment Positions. Borrower represents that the employment positions created as a result of the Project are expected to be created no later than September 8, 2023 and are expected to be the following:

# of Jobs	Job Title	Required Skills, Education, and Experience	Estimated Salary/Wage	Hours Per Week
40	Customer Agents	High School diploma/GED; training provided	\$31,000	40
5	Supervisors	High School diploma/GED; supervisor experience	\$50,000	40
1	IT Manager	Bachelor's degree; IT experience	\$100,000	40
1	Quality Support	High School diploma/GED; training provided	\$65,000	40

# of Jobs	Job Title	Required Skills, Education, and Experience	Estimated Salary/Wage	Hours Per Week
1	Work Force Manager	Bachelor's degree	\$100,000	40
1	Trainer	High School diploma/GED; call center experience	\$100,000	40
1	Sales	High School diploma/GED; sales experience	\$75,000	40

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

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

7.09 Job Relocation Certification. Consistent with Section 3.09 of this Agreement, Borrower hereby certifies to Lender that neither Borrower nor any of its subsidiaries has plans to relocate jobs as a result of the Project that would result in a significant job loss (as such term is defined at 24 CFR 570.482(h)(2)(iv)) in a Labor Market Area other than the Labor Market Area in which the Project is located.

SECTION 8. DEFAULT

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

(a) Failure by Borrower to pay any installment of the principal of either Note when due or to pay all interest owing on either Note when due, and the continuation of the same for thirty (30) days after receipt by Borrower of written notice of such failure from Lender.

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

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

(d) Borrower or Guarantor shall: (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property; (ii) admit in writing its inability, or be generally unable to pay its debts as such debts become due; (iii) make a general assignment for the benefit of its creditors;

(iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect); (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code; or, (vii) take any action for the purpose of effecting the foregoing.

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

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

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

(h) Borrower shall cease its operations at the Project site in the Town of Ridgeway, County of Orleans, New York for a continuous period of forty-five (45) days.

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

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

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

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

Any of the foregoing notwithstanding, upon an Event of Default under Section 8.01(d) or (e) of this Agreement, the entire unpaid principal of the Note and any interest accrued thereon,

shall become immediately due and payable automatically, and without presentation, demand or notice of any kind.

8.03 Remedies Cumulative. The rights and remedies of Lender under this Agreement shall be cumulative and shall not exclude any other rights and remedies of Lender allowed by law with respect to any default under this Agreement. Failure by Lender to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon default by Borrower hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandamus or other appropriate legal remedy a strict compliance by Borrower with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies.

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

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

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

SECTION 9. MISCELLANEOUS

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

Borrower: Velocitii, LLC
711 Park Avenue, Suite 500
Medina, New York 14103

Lender: Orleans Land Restoration Corporation
121 North Main Street
Albion, New York 14411

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

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

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

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

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

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

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

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

9.10 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York. The Borrower agrees that any action or proceeding to enforce the provisions of this Agreement may be commenced by the Lender in New York State Supreme Court in Orleans County, or in the Western District Court of the State of New York, and the Borrower waives personal service of process and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served by registered or certified mail to the Borrower at the Borrower's address or to such other individual and/or address as provided in written notice from the Borrower to the Lender, or as otherwise provided by the Laws of the State of New York or the United States. The Borrower agrees to waive any and all rights to change the venue of any

action or proceeding brought to enforce the Agreement and waives any right to assert any counterclaim or set-off or any defense based upon statute of limitations or claims of laches in any such action or proceeding.

9.11 Assignment by Lender. Lender, in consideration of the CDBG Funds awarded to the Town by HTFC, assigns all of its rights and remedies under this Agreement, the Notes, and other financing documents to HTFC. In the event (i) the Town Agreement is terminated for any reason, or (ii) HTFC, in its sole and absolute discretion, finds deficient performance or inadequate management capacity on the part of the Town or Lender, HTFC shall have the right to notify Borrower under this Agreement and the Note or Notes to make payment directly to HTFC, and to enforce any and all obligations of Borrower under this Agreement and the Note(s) or any other loan instrument executed in connection herewith. Until such time as HTFC elects to exercise such rights by mailing to the Town, Lender, and Borrower written notice thereof, Lender is authorized to collect payments and enforce all rights under this Agreement and the Note(s).

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

[Remainder of page intentionally left blank]

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

ORLEANS LAND RESTORATION CORPORATION, Lender

By: 
Michael Dobell, CEO/CFO

VELOCITII, LLC, Borrower

By: Talis Equity, LLC, a New York
Limited Liability Company

By: 
Robert Schintzius, Member

ACKNOWLEDGMENT OF SIGNATORY(IES)

State of New York)
) ss
County of Orleans)

On the 25th day of October in the year 2022 before me, the undersigned, a Notary Public in and for said state, personally appeared Michael Dobell, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Signature of Notary Public

DIANE BLANCHARD
Notary Public, State of New York
No. 01BL6138618
Qualified in Orleans County
Commission Expires December 27, 2026

ACKNOWLEDGMENT OF SIGNATORY(IES)

State of New York)
) ss
County of Orleans)

On the 25th day of October in the year 2022 before me, the undersigned, a Notary Public in and for said state, personally appeared Robert Schintzius, to me known or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Signature of Notary Public

VIRGINIA C JENSON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01JE6407775
Qualified in Orleans County
My Commission Expires 07-06-2024

Adopted: April 17, 2009
Amended: August 20, 2010
Amended: February 24, 2012
Amended: February 27, 2015
Amended: February 10, 2017

Amended: February 14, 2020
Reviewed and Approved: March 4, 2022
Amended: July 14, 2023

ORLEANS LAND RESTORATION CORPORATION

INVESTMENT POLICY

I. Scope

This investment policy applies to all moneys and other financial resources available for investment by the Orleans Land Restoration Corporation (the "Agency").

II. Objectives

The primary objectives of the Agency's investment activities are, in priority order.

- To conform with all applicable federal, state and other legal requirements;
- To adequately safeguard principal;
- To provide sufficient liquidity to meet all operating requirements; and
- To obtain a reasonable rate of return.

III. Delegation of Authority

The responsibility for administration of the investment program is delegated to the Agency's Treasurer who shall establish procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information.

IV. Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in Agency.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. Diversification

It is the policy of the Agency to diversify its deposits and investments by financial institution such that the Agency's deposits and investments do not exceed FDIC coverage and collateral pledged by such institution.

agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

X. Authorized Investments

The Agency authorizes the CFO to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York

All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within one year of the date of purchase.

XI. Other Requirements

Anything contained in this Policy to the contrary notwithstanding, to the extent any funding source of the Agency imposes requirements with respect to the deposit, collateralization or investment of funds received from such source which are more restrictive or stringent than the provisions of this Policy, then the requirements of such funding source shall control.

XII. Monthly Reporting Requirements

At each regularly scheduled monthly meeting of the Agency's Board of Directors, the CFO shall prepare a report of the Agency's cash and investments balances as of the last day of the preceding month. At a minimum such report shall contain:

- The name of each financial institution
- Type of account (checking, savings, certificate of deposit, etc.)
- Any new investments since the last report
- Current rate of interest
- Account balances as of the last day of the previous month
- Maturity date in the case where funds are not currently available
- Information regarding the selection of investment bankers, brokers, agents, dealers or auditors since the last report.

XII. Annual Monitoring and Reporting

APPENDIX A

Schedule of securities eligible for collateralization of Agency deposits:

- i. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- ii. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- iii. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- iv. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- v. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- vi. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- vii. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- viii. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- ix. Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- x. Zero coupon obligations of the United States government marketed as "Treasury strips".