

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine the applicant's eligibility for financial assistance from the Cortland County Industrial Development Agency. The answers will also be used in the preparation of papers in this transaction. Accordingly, an officer or other employee of the applicant who is thoroughly familiar with the business and affairs of the applicant and who is also thoroughly familiar with the proposed project should answer all questions accurately and completely. This application is subject to acceptance by the Agency.

TO: CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY
37 CHURCH STREET
CORTLAND, NEW YORK 13045

APPLICANT: iSpice, LLC (DBA: iSpice Foods) _____

APPLICANT'S STREET ADDRESS: 6450 Highway 43 _____

CITY: Jackson _____ **STATE:** AL _____ **PHONE NO.:** (514) 497-0949

E-MAIL ADDRESS: milkhani@ispicefoods.com; raffi@ispicefoods.com _____

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Manouch Ilkhani; Raffi Froundjian _____

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Baker, Donelson, Bearman, Caldwell & Berkowitz, PC _____

NAME OF ATTORNEY: Robert E. Pendley _____

ATTORNEY'S STREET ADDRESS: 1901 6th Avenue N, Suite 2600 _____

CITY: Birmingham _____ **STATE:** AL _____ **PHONE NO.:** 205-244-3827 _____

E-MAIL ADDRESS: rpendley@bakerdonelson.com _____

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT THIS APPLICATION

INSTRUCTIONS

1. The Agency will not approve any applications unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer, which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project, which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of Five Hundred Dollars (\$500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has established a project fee for each project in which the Agency participates. **UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.**

FOR AGENCY USE ONLY

1. Project Name or Number	_____
2. Date Application Received by Agency	_____, 20____
3. Date Application Referred to Attorney for Review	_____, 20____
4. Date Copy of Application Mailed to Members	_____, 20____
5. Date Notice of Agency Meeting on Application Posted	_____, 20____
6. Date Notice of Agency Meeting on Application Mailed	_____, 20____
7. Date of Agency Meeting on Application	_____, 20____
8. Date Agency Conditionally Approved Application	_____, 20____
9. Date Scheduled for Public Hearing	_____, 20____
10. Date Environmental Assessment Form ("EAF") Received	_____, 20____
11. Date Agency Completed Environmental Review	_____, 20____
12. Date of Final Approval of Application	_____, 20____

I. APPLICANT INFORMATION-COMPANY TO RECEIVE BENEFITS (the "COMPANY")

A. Identity of Company:

1. Company Name: iSpice, LLC (DBA: iSpice Foods) _____
Present Address: 6450 Highway 43, Jackson, AL _____
Zip Code: 36545 _____ Employer ID No.: 37-1846413 _____

2. Indicate type of business organization of Company:

a. Corporation. Incorporated in what country? _____;
State: _____; Date Incorporated: _____;
Authorized to do business in New York State? Yes _____ No _____
i. Is the Corporation Publicly Held? Yes _____ No _____. If yes, please list exchanges where stock is traded: _____
ii. If no, list all Stockholders having a 5% or more interest in the Company:

Name	Address	Percentage of Holding

b. Partnership. General or Limited partnership? _____
Name all partners below:

Name	Address	General Partner	Limited Partner

c. Limited Liability Company. Formed in what country: USA____;
 State: AL____; Date of Formation: 12/16/2016____;
 Authorized to do business in New York State? Yes No____;
 Name all members below:

Name	Address	Membership Percentage
iMake Investment Inc	6450 Highway 43, Jackson, AL	53.5%
Covenant Brands, LLC	PO Box 43561, Atlanta, GA	27.5%
John Sewell	PO Box 43561, Atlanta, GA	9.5%
William Sewell	8666 Canal Dr., Jonesboro, GA	9.5%
See attached org chart		

d. Sole proprietorship. Name of Sole Proprietor: _____

3. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: _____

B. Management of Company:

List all officers/directors/managers (complete all columns for each person):

Name and Home Address	Office Held
Manouch Ilkhani, 414 Des Crecerelles, Beaconsfield, QC	President
John Sewell, PO Box 43561, Atlanta, GA 30336	Vice-President
William Sewell, 8666 Canal Dr., Jonesboro, GA 30236	Vice-President & Secretary

C. Company/Management History:

1. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes____ No ____.
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes____ No ____.
3. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes____ No ____.

If the answer to any of questions 1 through 3 is yes, please furnish details in a separate attachment.

II. PROPOSED PROJECT DATA

A. Description of the Project:

1. Please provide a narrative of the Project and the purpose of the Project (acquisition, construction, renovations and/or equipment purchases). Identify specific uses occurring with the Project. Describe any and all tenants and any/all end users (attach additional pages):
iSpice Foods wishes to expand its manufacturing operations in Cortland, NY - Please, see attached Annex

2. Describe the reasons why the Agency's Financial Assistance is necessary and the effect the Project will have on the Company's business or operations and any corresponding benefit to the Cortland County community (attach additional pages):
iSpice Foods is expected to employ over 350 employees in Cortland County over the next 3 years - Please, see attached Annex

3. Is there a likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency:

Yes

No

4. If the Project could be undertaken without the Financial Assistance provided by the Agency, then provide a statement indicating why the Project should be undertaken by the Agency (attach additional pages):

The project will not be undertaken without the financial assistance of the Agency. For the project to be realized as planned and desired, there are substantial capital investments required be that in acquisition of the building, its renovation, acquisition of significant number of production lines and its installation to attain the required capacity of production

B. Location of Project:

1. Street Address: 106 & 121 Central Ave. _____
2. City: Cortland _____
3. Town: Cortland County _____
4. Village: _____
5. Is any portion of the Project located outside of Cortland County? If so, identify the other county: No _____
6. School District: Cortland City School District _____
7. Tax Parcel Nos.: 110200-86.60.02-01.110; 110200-86.60.03-05.000; 110200-86.60.02-01.200; 110200-86.51.03-22.000

C. Description of the Project site:

1. Approximate size (in acres or square feet) of the Project site: 15.63 acres. Attach a map, survey or sketch of the Project site. Tax map is attached with all parcels, also, 4 Alta surveys, & 2 aerial shots.
2. Are there existing buildings on the Project Site?
Yes No . If yes,
 - a. Indicate each existing building and indicate the approximate size (in square feet) of each building:
3 sections:
1) 123,692 sq ft (37ft height) 2) 213,282 sq ft (40ft height)
3) 114,026 sq ft (18ft height) Plus 30,000 sq ft of office, and the out building of 26,000 sq ft
 - b. Are the existing buildings in operation? Yes No . If yes, describe the present use of each building in operation:
It is used by a company producing liquid detergents _____
 - c. Are the existing buildings abandoned? Yes No ;
About to be abandoned? Yes No . If yes, describe:
The building will be vacated on or earlier than June 30th, 2023
 - d. Attach photographs of existing buildings.
See the link for multiple photos: <https://www.dropbox.com/sh/60fqetw4bc1x39j/AABqpWkRJlk7fzx6pHVQGZgTa?dl=0>
3. Utilities Serving the Project Site:
Water: Municipal Cortland, Other . If other, describe _____
Sewer: Municipal Cortland, Other . If other, describe _____
Electric Utility Co.: NYSEG _____
Natural Gas Utility Co.: National Grid _____
Other Utility Sources: _____
4. Present Legal Owner of the Project Site: Clearcort, LLC
a. if the Company owns the Project site, indicate:
Date of Purchase: _____

Purchase Price: _____

b. If the Company does not own the Project site, does the Company have the contractual right to purchase the Project site?

Yes No _____. If yes, indicate:

Date Contract Signed: May 15, 2023 _____

Date Ability to Purchase Expires: December 31, 2033 _____

c. If the Company does not own the Project site, is there a relationship legally or by common control between the Company and present owner of the Project site?

Yes No _____. If yes, describe: The only relationship is the lease contract between the Company and the project site owner _____

5. Zoning District in which the Project is located: GI (General Industrial)

6. Are there any variances or special permits affecting the Project site now or which need to be obtained to complete the Project? Yes _____

No _____. If yes, list below and attach copies of all variances or special permits:

D. Description of the Proposed Construction:

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes ____ No _____. If yes, indicate number of and size of new buildings:

2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes No _____. If yes, indicate:

- a. The number of buildings to be expanded or renovated: 3 ____
- b. The size of any expansions: approx. 20,000 sqft of Mezzanines need to be constructed in order to install and operate the production lines efficiently _____
- c. The nature of expansion and/or renovation: make it suitable for the operation of a manufacturing facility

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:
modify the existing premises to an state of the art manufacturing facility for the production and packaging of spices and seasonings_____

E. Description of the Equipment:

1. Does part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")?
Yes No . If yes, describe the Equipment:
manufacturing equipment for packaging of spices will be required to be installed_____

2. With respect to the Equipment to be acquired, will any of the Equipment be previously used Equipment?
Yes No . If yes, please provide detail below:
iSpice Foods has in its possession readily available to be deployed in Cortland. For the type of equipment refer to the description of the project on the annex_____

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:
production and packaging

F. Project Use:

1. What are the principal products to be produced at the Project site?
Spices, herbs and seasonings_____

2. What are the principal activities to be conducted at the Project?
warehousing, grinding of spices, blending and mixing, bottling and packaging, conducting R&D activities_____

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities?

Yes No X . If yes please provide detail:

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____ %

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

a. Will the Project be operated by a not-for-profit corporation?

Yes No . If yes, please explain:

b. Is the Project likely to attract a significant number of visitors from outside the economic development region (as established by Section 230 of the Economic Development Law) in which the Project will be located?

Yes _____ No _____. If yes, please explain:

—
—

c. Would the Project occupant, but for the contemplated Financial Assistance from the Agency, locate the related jobs outside of New York State?

Yes No . If yes, please explain:

d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be

reasonably accessible to the residents of the city, town or village within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes No . If yes, please provide detail:

e. Will the Project be located in one of the following: (i) an area which was designed as an empire zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (a) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (b) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

Yes ; No . If yes, please explain:

6. If the answers to any of subdivisions c. through e. of question 5 are yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes No . If yes, please explain:

7. Will the completion of the Project result in the removal of an industrial or manufacturing plant of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York?

Yes No X . If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company or a Project Occupant located in

the State of York?

Yes No X . If yes, provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry?

Yes ; No . If yes, please provide detail:

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York?

Yes No . If yes, please provide detail:

G. Project Status:

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same?

Yes X No . If yes, please discuss in detail the approximate stage of such acquisition: A building site is identified, as described above, a 5 year lease agreement was signed with an option to renew for an additional 5 year term. Also, iSpice, LLC has the option to buy the premises at anytime after January 1, 2024 over the 10 year term of the lease. However, in order to grow the production capacity and required production lines to the desired level in a stable privately owned facility and to secure a long term presence in Cortland, financial assistance is imperative.

2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same?

Yes X No . If yes, please discuss in detail the approximate stage of such acquisition:

We are in the process of obtaining quotes from different suppliers. It will take several months before all machinery are acquired and installed.

3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? Yes No . If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

4. Please indicate the amount of funds expended on the Project by the Applicant in the past three (3) years and the purpose of such expenditures:

None

**III. INFORMATION CONCERNING LEASES OR SUBLASES OF THE PROJECT
(PLEASE COMPLETE THE FOLLOWING SECTION IF THE APPLICANT INTENDS
TO LEASE OR SUBLASE ANY PORTION OF THE PROJECT)**

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes No . If yes, please complete the following for **each** existing or proposed tenant or subtenant:

Sublessee Name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee is: _____ Corporation; _____ Partnership; _____ Limited
Liability Company; _____ Sole Proprietor

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes No .

If yes, please provide on a separate attachment

- a. details; and
- b. the answers to questions II (F) (4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? _____ %

IV. EMPLOYMENT IMPACT

A. Indicate below the number of people presently employed at the Project Site and the number that will be employed at the Project site at the end of the first and second years after the Project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the Applicant.

	Current # of Jobs at proposed Project location or to be relocated to Project location	If Financial Assistance is granted, estimate the number of FTE and PTE jobs to be Retained	If Financial Assistance is granted, estimate the number of FTE and PTE jobs to be <u>Created</u> by Two years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the retained and created FTE and PTE jobs Two years after Project completion**
Present Full Time	nil	nil	nil	nil
Present Part Time	nil	nil	nil	nil
First Year Full Time	nil	nil	175	175
First Year Part Time	nil	nil	nil	nil
Second Year Full Time	nil	nil	125	125
Third Year Full Time	nil	nil	50	50
Total:	nil	nil	350	350

**For purposes of the question, please estimate in the fourth column the number of FTE and PTE jobs, as indicated in the second and third columns, that will be filled by residents of the Labor Market Area. The Labor Market Area includes Cortland County as well as the counties of Cayuga, Onondaga, Tompkins, Broome and Chenango.

Category of Jobs to be Retained and Created	Estimated Average Salary or Range of Salary	Estimated Average Fringe Benefits or Range of Fringe Benefits
Management	\$120,000/year	\$18,000/year
Professional		
Administrative	\$ 65,000/year	\$13,000/year
Production	\$ 40,000/year	\$ 8,000/year
Independent Contractors		
Other	See Attached Annex	

B. Please state the anticipated date of completion of the Project site and the anticipated date of occupancy of the Project site:

Project Site Completion Date: January 1, 2024_____

Project Site Occupancy Date: July 1, 2023_____

V. PROJECT COST

A. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

Description of Cost:

Amount:

Land Acquisition	\$ _____
Building Construction	\$ _____
Building Renovation	\$ 5,000,000 _____
Machinery and equipment costs	\$20,000,000 _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ 200,000 _____
Costs of Bond issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
Inventory _____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COSTS:	\$25,200,000 _____

B. Have any of the above expenditures already been made by the Applicant?

Yes ____ No _____. If yes, indicate particulars:

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY

A. Tax Benefits:

1. Is the Applicant requesting a real property tax exemption in connection with the Project from the Agency? Yes No _____.
2. Is the Applicant expecting to be appointed agent of the Agency for purposes of receiving an exemption from N.Y.S. Sales Tax or Compensating Use Tax? Yes No _____.
3. Is the Applicant requesting a mortgage recording tax exemption in connection with the Project from the Agency? Yes No _____.
4. What is the estimated value of each type of tax exemption being sought in connection with the Project? Please detail the type of tax exemption and value of each exemption:
 - a. N.Y.S. Sales and Compensating Use Taxes: \$1,200,000 _____
 - b. Mortgage Recording Taxes: \$ 126,000 _____
 - c. Real Property Taxes: \$1,688,350 _____
(Please consult with the Agency in calculating the estimated value of the real property tax exemption)
 - d. Other (please specify):

_____ \$ _____

_____ \$ _____
_____ \$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax-exemption Policy? Yes No _____. If yes, please explain how the request of the Applicant differs from the Agency's Uniform Tax-Exemption Policy: iSpice Foods is requesting PILOT for 10 years, a freeze of current Real Property Taxes for the next 10 years, exemption of sales and use tax for the next 24 months, and exemption of mortgage recording tax anytime during the 10 year option to buy period.

B. Financing:

1. Is the Applicant requesting that the Agency issue bonds to assist in financing the Project? Yes _____ No . If yes, indicate:
 - a. Principal Amount of Bonds Requested \$ _____
 - b. Maturity Requested _____ Years
 - c. Is the Interest on such bonds intended to be exempt from federal income taxation? Yes _____ No _____.

2. What is the approximate amount of private sector financing to be obtained? \$12,600,000 _____. Is the Applicant expecting that the private sector financing of the Project will be secured by one or more mortgages? Yes No _____.
If yes, what is the approximate amount of private sector financing to be secured? \$12,600,000 _____.
3. Is the Applicant expecting that any of the financing of the Project will come from public sector sources? Yes No _____.
What is the approximate amount of public sector financing to be obtained? \$4,000,000 _____.
If yes, is the Company expecting that the public sector financing of the Project will be secured by one or more mortgages or grant agreements? Yes No _____.
If yes, what is the approximate amount of public sector financing to be secured? \$4,000,000 _____.
4. Please state the approximate amount to be invested in the Project (not borrowed or the subject of a grant) by the Applicant \$8,600,000 _____.
5. Please state the approximate total amount of borrowed funds to be invested in the Project \$12,600,000 _____.

VII. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. **Job Listings:** In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. **First Consideration for Employment:** In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. **Local Workforce Development:** The Applicant understands and agrees that if the Project receives Financial Assistance from the Agency, except as provided by collective bargaining where practicable, the Applicant will increase the skill base of the local workforce through training, opportunities for professional development and career track advancement.

D. **Annual Sales Tax Filings:** In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.

E. **Annual Employment Reports:** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant will file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site.

F. **Absence of Conflicts of Interest:** The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

G. **Federal, State and Local Laws:** The Applicant/Owner/Occupant/Operator receiving the Financial Assistance understands and agrees that it must be, at all times, in compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

H. **Environmental Matters:** The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or Owner of the Premises to prepare and submit an environmental assessment and audit report including, but not limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the Owner and/or the Applicant.

All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-13, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made with reports required herein.

- I. **Release:** The Applicant and/or Owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or Owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations and audits.
- J. **Hold Harmless Provision:** The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suit or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such

terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application including, without limitation, information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

K. **False or Misleading Information.** The submission of any knowingly false or misleading information by the applicant may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

REMAINDER OF PAGE INTENTIONALLY BLANK

VERIFICATION

(If Applicant is a Corporation, Limited Liability Company, General or Limited Partnership)

STATE OF _____)
COUNTY OF _____) ss.:

Manouch Ilkhani _____ deposes and says, under the penalties of perjury, that he/she is the _____ President _____ (must be the chief executive officer, member, manager, general partner or such other individual duly authorized to bind the applicant) of _____ iSpice, LLC _____ (name of applicant); that he/she has read the foregoing application and knows the contents thereof; and that the same is true, complete and accurate to the best of his/her knowledge; that the reason this verification is made by the deponent and not by the applicant is the applicant is a _____ an LLC _____ (Corporation, Limited Liability Company, General or Limited Partnership). The grounds of deponent's belief relative to all matters in the application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as _____ President _____ of the applicant and from the books and records of the applicant.

Signature: _____

Print Name: Manouch Ilkhani

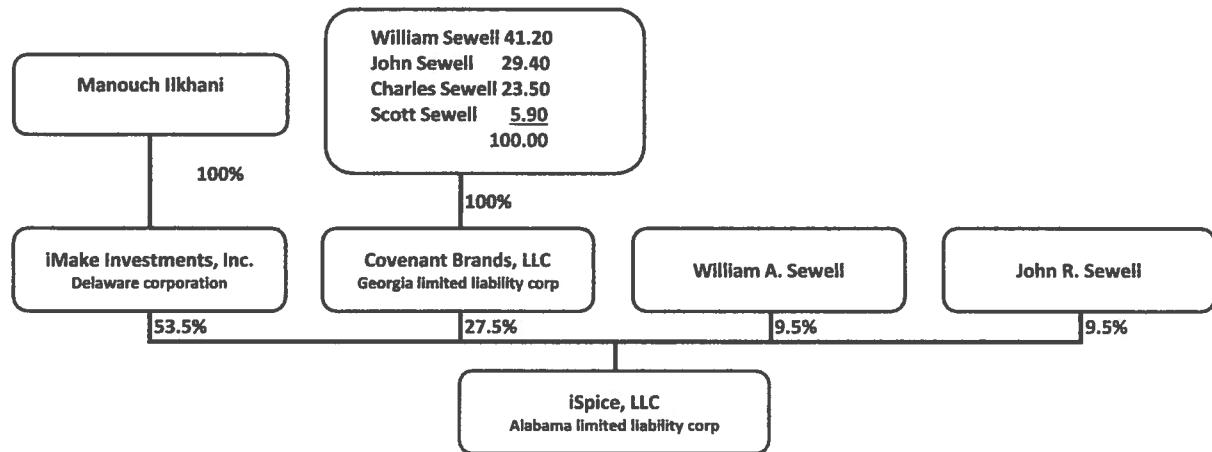
Sworn to before me this 8th
day of September, 2023

Notary Public



RAFFI FROUNDJIAN
Expiry: April 14, 2025

iSpice, LLC
Organization Structure
July 2023



ANNEX

CORTLAND COUNTY IDA – APPLICATION FOR FINANCIAL ASSISTANCE PROJECT: ISPICE, LLC

II.A.1.

iSpice Foods is a leading importer, processor, and supplier of the best quality herbs and spices from around the world. Through its manufacturing facilities in Alabama, New Jersey and Canada, it is in ever expanding mode. It serves a variety of market segments including industrial, food service and retail. It has a very large client base including multiple very large S&P 500 clients that are businesses with over \$10 billion annual sales. Its client list includes, just to name a few, Jetro Cash, Rema, Kroger, General Mills, Publix, Target, Aldi, Starbucks, B&G Foods, etc.

This project in Cortland, NY, consists of renting and renovating a building, installing the necessary mezzanines, installing over 50 production lines, most of them with rotary high speed bottling filling systems in order to meet ever increasing customer demands. The construction of very large mezzanines will be of critical importance for the success and efficiency of the operations of the project as it will be used as a leading platform to feed the production lines with the required materials. A production line will consist mainly of bottle sorters and augers, bottle filling machine equipment, cappers, labellers, conveyors, tray making machines and assemblers, shrink wrappers, palletizers, etc. In addition to the production lines, mixers and blenders will be installed in this facility.

The facility will be used in the first place to accommodate and warehouse the raw material and packaging inventory, then to grind some of the materials according to specifications and process it through sifters, blend mixes and finally package it into finished goods of spices, herbs and seasonings for end customers under the highest standards of manufacturing practices and within the regulatory norms of FDA.

The facility will include a laboratory for research and development of new products based on customer requirements or for iSpice Food's extension of its brand products. iSpice has in its portfolio over 2,000 recipes that are the result of thorough and meticulous R&D work performed over several years of its existence.

iSpice produces and caters a large customer base for private labels on top of developing its own multiple product lines. The facilities will be SQF certified in addition to having Kosher, Halal, NGMO, Vegan, Gluten Free certifications. The facility will be compliant to OSHA's norms and safety regulations.

II.A.2.

The project requires substantial capital investment that we estimate \$2,000,000 in order to make the building adequate for the specific manufacturing needs. Also, the roof of the building is in very rough shape and leaking in several spots. Based on preliminary estimates, it will cost \$3,000,000 to repair it. If the whole roof is to be repaired that covers an area of 500,000 sq ft, it is more likely that will cost over \$5,000,000.

In addition, the project requires substantial investment in capital expenditures in machinery to acquire and install the production lines as described above totalling some \$20,000,000.

The financial assistance will help start up this project and alleviate the burden on the cash flow and working capital of iSpice. It will accelerate the deployment and installation of the production lines at a faster pace and the start of the operations and the hiring process to the level forecasted as quickly as possible. Without the financial assistance, due to extensive cash flow requirements, iSpice will start at much slower pace, with less equipment and less production lines resulting in fewer employees. With the ability to start off at a higher pace, iSpice will have a greater growth through the years and will create more jobs than anticipated.

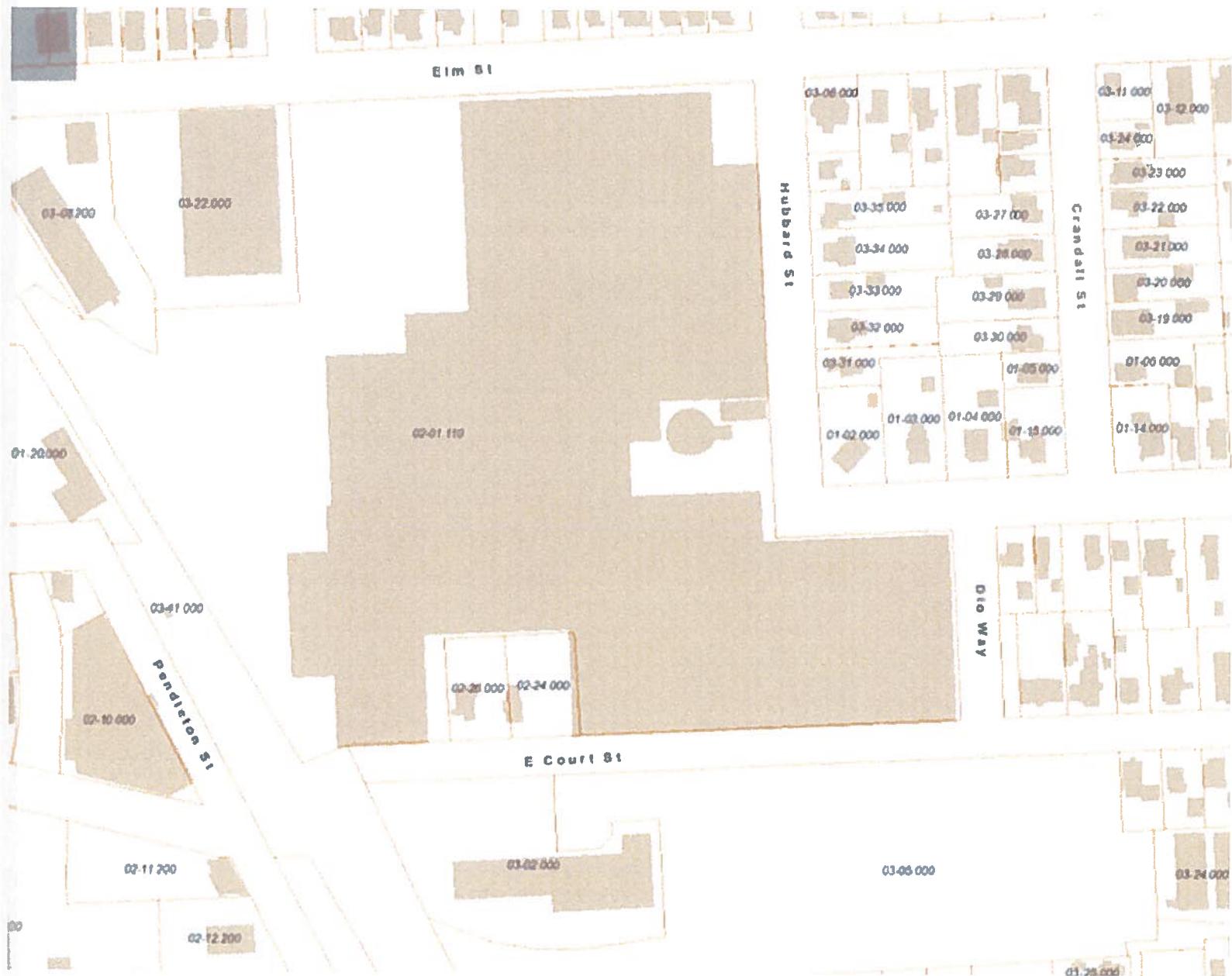
The property tax rates in Cortland are 3 to 4 times higher compared to where currently iSpice operates and possess facilities in Jackson, AL. We are looking at the minimum a freeze of assessment of property taxes for the next 10 years.

iSpice will create approximately 350 permanent new jobs in the first 3 years of its operation in Cortland. The jobs will consist of warehouse, production (grinding, mixing, bottling), plant maintenance, machine mechanics, technical operators, forklift drivers, quality control, R&D scientists, control and safety specialists, management, etc. iSpice will invest extensive time and resources for the training of the newly hired employees providing them the opportunity to acquire new but transferrable skills. No doubt that this will have significant impact in general, in the State of New York, and specifically in the City of Cortland, to create permanent good paying private sector jobs.

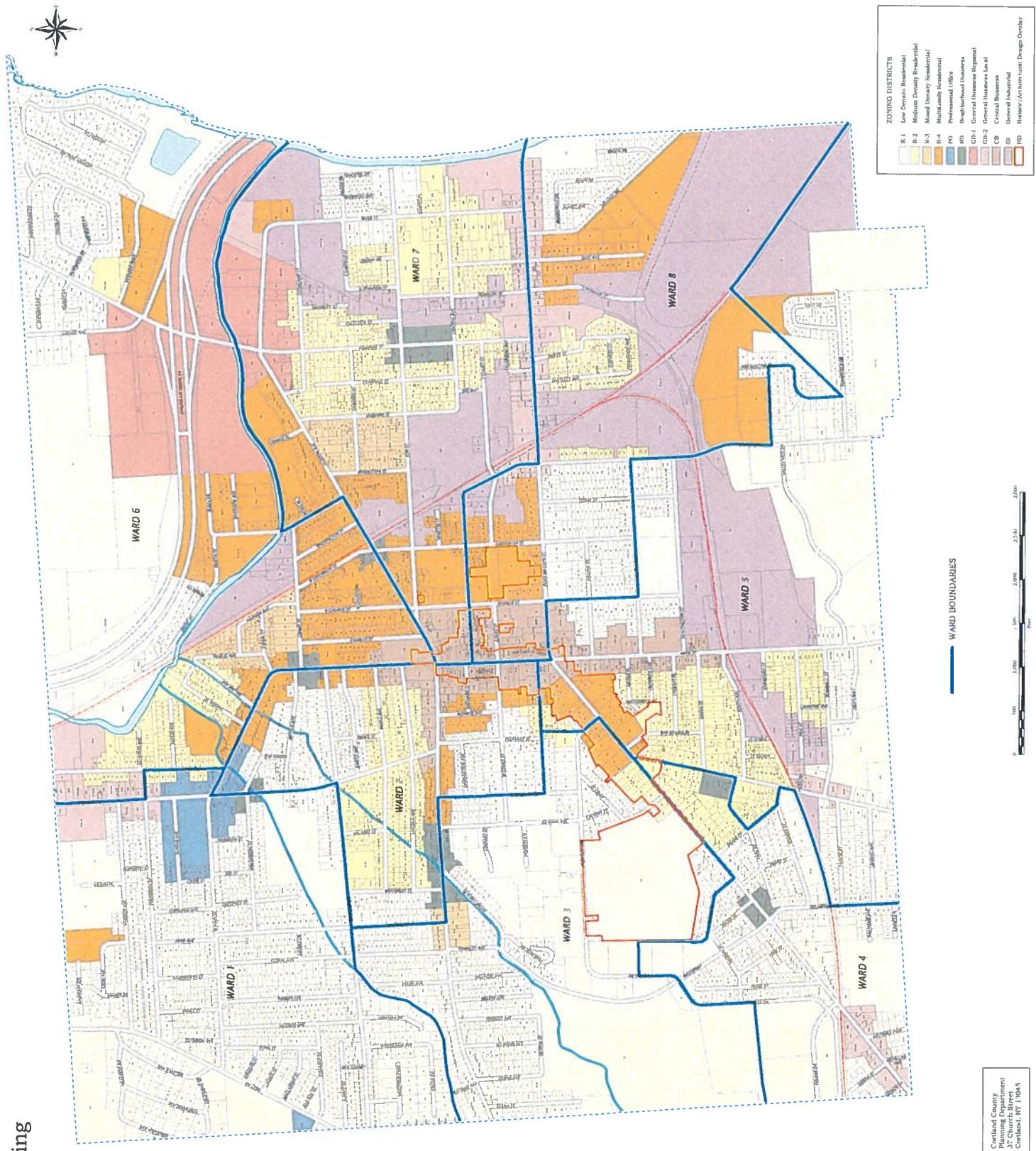
Financial assistance is imperative in order to make this project achievable.

IV.A.

We anticipate hiring in different departments and positions 10 employees at management level, 35 employees in administration level and 305 employees at production level of salaries.

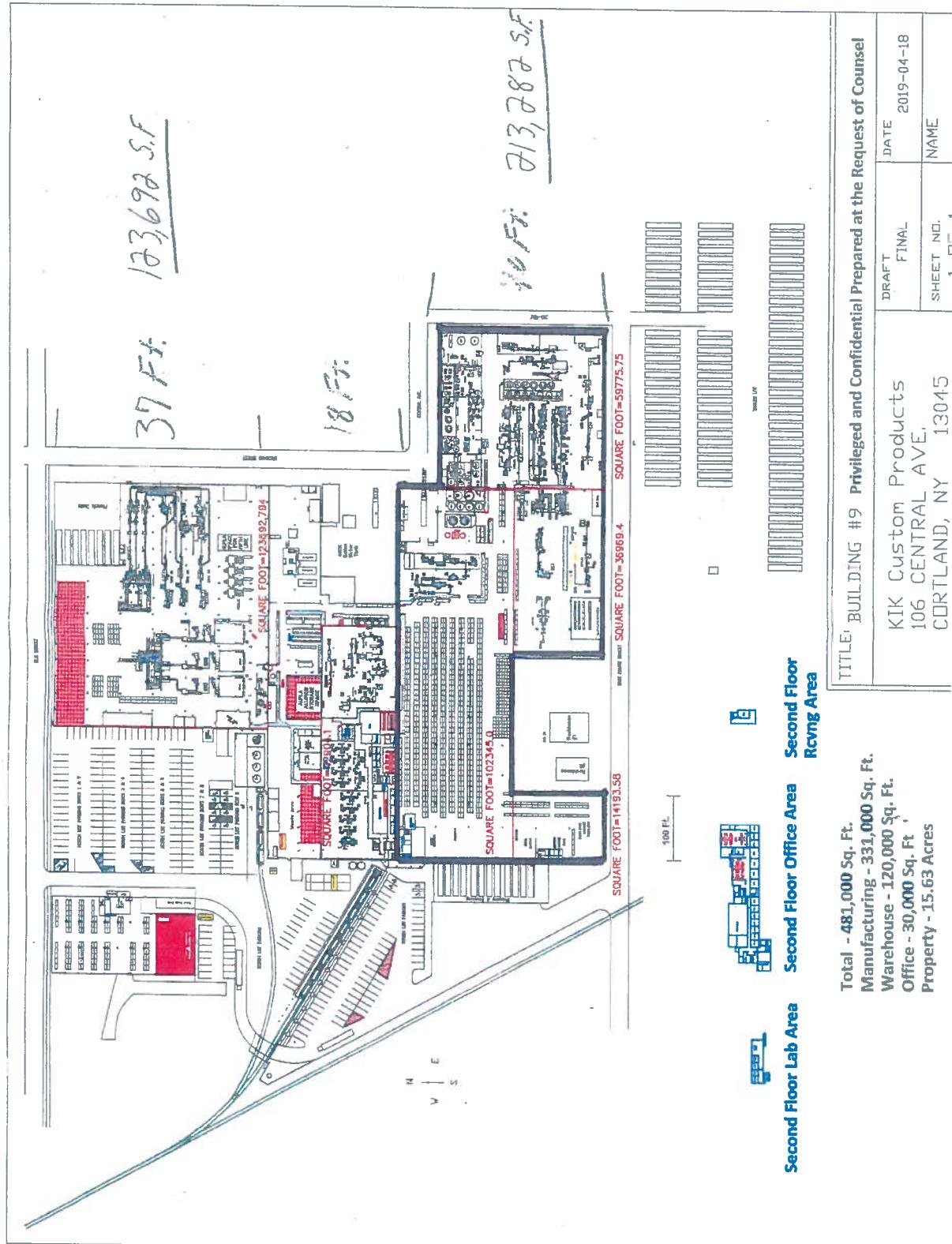


City of Cortland Zoning





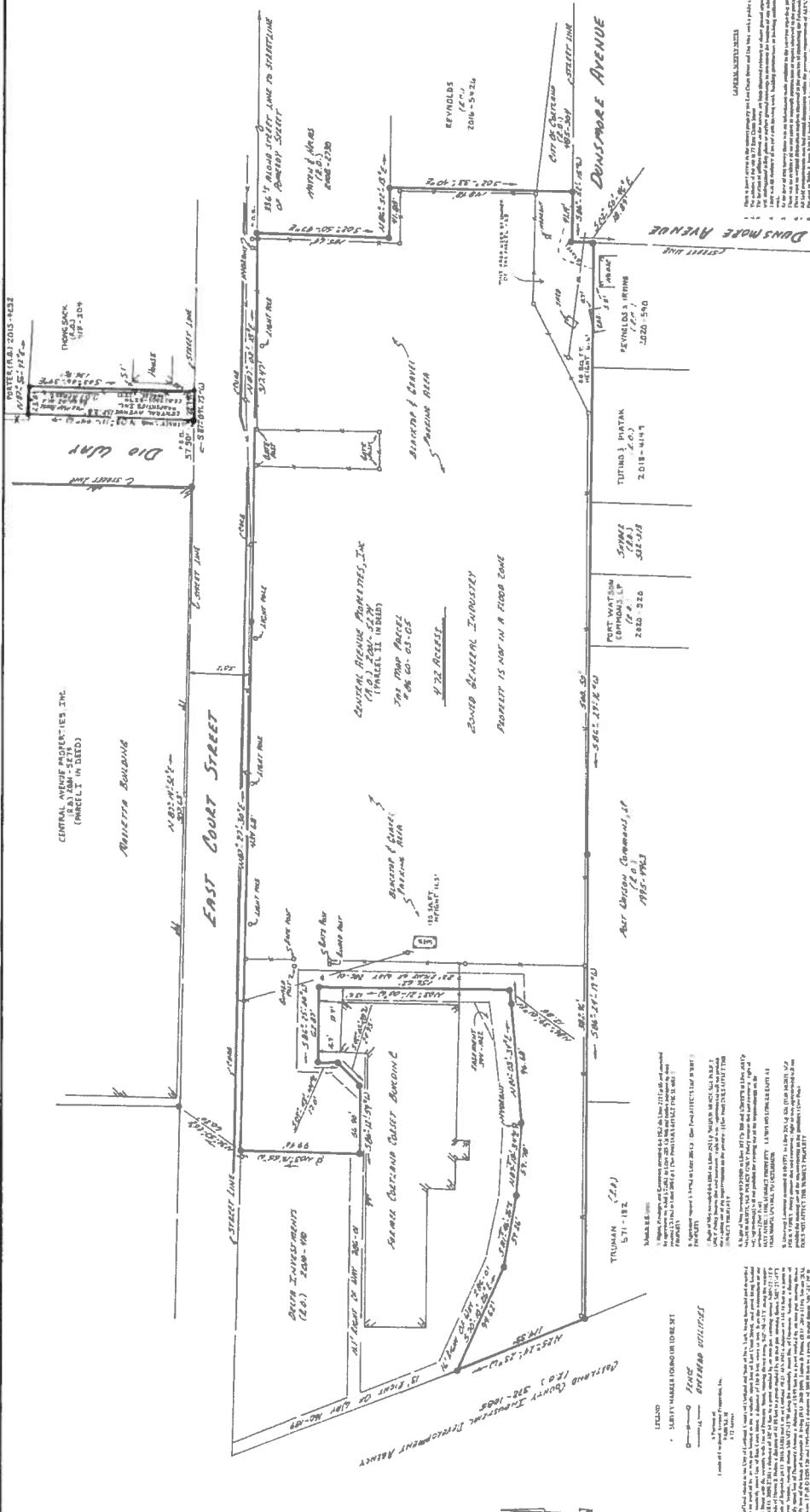






LEGENDO

SCALE:	50'
DRAWN BY:	ALUGLR
APPROVED BY:	TRD
DATE:	10-10-08
DESIGNER:	3-22208
CONTRACT NO.:	000-00000



monograph of the Roman period in the context of the broader Roman history of the city. The author's main focus is the period from the 1st century BC to the 1st century AD, with a brief consideration of the 2nd century AD. The book is divided into four main sections: 'The Roman Period' (pp. 1–100), 'The Early Christian Period' (pp. 101–180), 'The Byzantine Period' (pp. 181–260), and 'The Ottoman Period' (pp. 261–340). Each section is further subdivided into several sub-topics, such as 'The Roman City' (pp. 1–10), 'The Early Christian City' (pp. 101–10), 'The Byzantine City' (pp. 181–80), and 'The Ottoman City' (pp. 261–60). The book is well-illustrated with numerous photographs and maps, and includes a detailed bibliography and index.

ABOVE, THIS TWENTY-SEVENTH DAY OF JUNE, TWENTY-SEVEN, CERTIFICATE OF TITLE AS AFORESAID, OF FIRST FLOOR, BOSTON TOWER, BOSTON, MASSACHUSETTS, DATED JUNE TWENTY-SEVEN, TWENTY-SEVEN, AS FOLLOWS:

SEARCHED *[initials]* INDEXED *[initials]*
SERIALIZED *[initials]* FILED *[initials]*
APR 15 1949
FBI - NEW YORK



iSpice Foods
6450 Highway 43
Jackson, AL 36545
Phone: 251-246-8001
ispicefoods.com

March 29, 2023

Karen Niday
Cortland County Business Development Corp
Cortland County Industrial Development Agency
Director of Project Development/CFO
40 Main St, Suite A
Cortland, NY 13045

Subject: Application for Financial Assistance

Dear Ms. Niday,

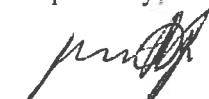
This letter is in reference to the application for Financial Assistance we submitted to the Cortland County Industrial Development Agency earlier. We would like to bring to your attention that the project involves the acquisition of a building located at 106 Central Avenue, Cortland, NY, and includes an initial lease agreement from July to December 2023 and a subsequent purchase agreement in January 2024.

As explained in our application, the seller has no commitment to close the above transactions with iSpice, rather, its priority is to conclude a sale in the shortest delay based on first come first served basis, and as such it is exercising pressure on iSpice.

On the other hand, iSpice has no interest to engage in any agreement with the seller until a firm commitment of financial assistance is concluded with both Cortland County IDA and the State of New York.

Under these circumstances, it becomes imperative to act as quickly as possible and process the financial assistance application, for iSpice to come and serve in the community of Cortland for many years to come.

Respectfully,


Raffi Froundjian
VP Finance