

# DIVISION OF CEMETERIES

STATE OF NEW YORK  
DEPARTMENT OF STATE

STATE OFFICE BUILDING  
44 HAWLEY STREET  
BINGHAMTON, NY 13901  
TELEPHONE: (607) 721-8756  
FAX: (607) 721-8753  
WWW.DOS.NY.GOV

ANDREW M. CUOMO  
GOVERNOR

CEMETERY BOARD

ROSSANA ROSADO  
SECRETARY OF STATE  
CHAIR

LETITIA JAMES  
ATTORNEY GENERAL

DR. HOWARD A. ZUCKER  
COMMISSIONER OF HEALTH

## DEPARTMENT OF STATE - DIVISION OF CEMETERIES

### MEMORANDUM

TO: NEW YORK STATE CEMETERY BOARD

FROM: BRENDON STANTON, Investigator

SUBJECT: LEATHERSTOCKING CREMATORY, No. 39-050

RE: Cemetery Renovation—Replacement Retort

DATE: November 15, 2019

---

### Exhibits

- a) Report of Division Senior Accountant Andrew Hickey
  1. Four-year Income and Expense
  2. Four-year Balance Sheet
  3. ROI
  4. Sales Payback
  5. PM Loan Payback – N/A
  6. \$136K Commercial Loan Amortization 6a - \$80K Loan Amort
  7. Summary of Trustee Assertions
  8. Bank Letter on Financing
  9. 2019 Rental agreement
  10. Estimate to repair existing retort
  11. Pending Purchase contract
  12. Summary of nearby crematories

### Introduction and Recommendation

The Leatherstocking Crematory of the town of Cherry Valley, Otsego County, has applied for Cemetery Board approval of a cemetery renovation pursuant to 19 NYCRR Section 201.16 for the replacement of a crematory retort. The facility, a standalone crematory associated with the Ottman Funeral Home, currently has one IE Power Pak unit installed in 1987. The crematory wishes to replace this unit for several reasons: the increased efficiency of a new unit; the increasing cost of maintaining the older unit; and, most importantly, the proposed DEC regulations which would render its current unit obsolete and not eligible for use in New York.

I recommend approval of this application, conditioned on receipt of (1) all required local and DEC permits; and (2) receipt of an engagement letter from a CPA to perform an audit and file with the Division an audit report for the most recent calendar year. As is described in greater detail in the accompanying memorandum of Senior Accountant Andrew Hickey, the Division continues to discuss with the crematory compliance with the related party provisions of the Nonprofit Revitalization Act

### **The Crematory**

The Leatherstocking Crematory is a small, standalone crematory located in the village of Cherry Valley. It is housed in a garage on the property of the Ottman Funeral Home. The crematory was last inspected in February 2019 and there were no compliance issues noted. The crematory mainly handles cases from the Ottman Funeral Home, though they do service a small number of other, local funeral homes. Despite a statewide increase in cremations, the Leatherstocking Crematory actually saw a decrease of nearly 20 percent between 2017 and 2018. Operators attributed this to the decision of a funeral home to change their regular crematory. The current retort, an IE Power Pak installed in 1987, is in need of rebricking which would present a cost of approximately \$50,000.00. In addition, the proposed DEC regulations would take this machine out of service and render the crematory unable to operate. The directors feel that it is in their best interests to replace the machine at this time as opposed to refurbishing the current machine and then needing to replace it in a few years.

### **Compliance with 19 NYCRR Section 201.16**

With regard to 19 NYCRR Section 201.16, the crematory has provided the following response:

- 1) *Whether the alteration will result in or avoid the destruction, damage to, modification or interference with existing graves and markers, crypts, mausoleums, roadways, and pathways:* This facility is a standalone crematory and does not have any of the foregoing.
- 2) *The location, design and duration of the major alteration:* The new retort will be located in the same position of the previous retort. The crematory anticipates that the replacement will take two weeks and will result in a complete shutdown of the crematory. A portion of the front entrance wall will need to be removed in order to allow the old machine to be removed and the new machine to be delivered, but the building was designed with this in mind and it is not expected to cause any difficulty.
- 3) *The financial impact on the applicant:* The new unit is expected to cost approximately \$133,000.00. The attached report by Division Senior Accountant Andrew Hickey provides more analysis of the financial aspects of this project. The crematory does not anticipate any material costs with respect to the building.
- 4) *Whether the alteration will interfere with the lots or the interests of the lot owners:* This facility is a standalone crematory, and as such, this does not apply; replacement of a retort is in the interests of consumers and local funeral directors.
- 5) *Whether the alteration will be appropriate for cemetery purposes:* This replacement is prudent but also necessitated by the expected changes in DEC regulations which would render the current retort unusable. Installation of a new machine will allow the facility to operate more efficiently and in a more environmentally responsible manner.
- 6) *Whether the alteration will have an adverse impact on the surrounding community:* The crematory does not anticipate any impact on the surrounding community; if anything, installation of a new report will have a modest positive impact on the community, as newer retorts are generally more efficient.
- 7) *Whether the alteration will have the potential to adversely affect the public health and safety, the environment or natural resources:* The crematory does not anticipate any

adverse impact of the project, and in fact, the new retort's increased efficiency will provide a modest net benefit to the community.

### **Recommendation**

The Leatherstocking Crematory has demonstrated that the renovation is necessary for their continued survival. In addition to the benefits to the crematory, the project will result in an overall benefit to the community owing to the increased efficiency of the new machine. Based on these factors, I recommend approval of this cemetery renovation, on the conditions described above.

# Exhibit A

# DIVISION OF CEMETERIES

STATE OF NEW YORK  
DEPARTMENT OF STATE  
ONE COMMERCE PLAZA  
99 WASHINGTON AVENUE  
ALBANY, NY 12231-0001  
TELEPHONE: (518) 474-6226  
FAX: (518) 473-0876  
WWW.DOS.NY.GOV

ANDREW M. CUOMO  
GOVERNOR

CEMETERY BOARD

ROSSANA ROSADO  
SECRETARY OF STATE  
CHAIR

LETITIA JAMES  
ATTORNEY GENERAL

DR. HOWARD A. ZUCKER  
COMMISSIONER OF HEALTH

**To:** NEW YORK STATE CEMETERY BOARD

**From:** Andrew Hickey, Senior Accountant

**Subject:** Leatherstocking Crematory, #39-050

**Re:** Replacement of existing retort

**Date:** April 2, 2020

## Schedules:

- 1) Four-year Income and Expense
- 2) Four-year Balance Sheet
- 3) ROI
- 4) Sales Payback
- 5) PM Loan Payback – N/A
- 6) \$136K Commercial Loan Amortization 6a - \$80K Loan Amort
- 7) Summary of Trustee Assertions
- 8) Bank Letter on Financing
- 9) 2019 Rental agreement
- 10) Estimate to repair existing retort
- 11) Pending Purchase contract
- 12) Summary of nearby crematories
- 13) CPA engagement letter
- 14) February 5, 2020 email regarding: W2, CPA audit, Independent Trustees
- 15) NBT Bank letter, January 16, 2020, approving 84-month loan at 5.75%
- 16) April 1, 2020 email (PDF) regarding barriers to March board meeting, approval of related party pmts and downpayment on loan

## Summary:

Leatherstocking Crematory, a standalone crematory, is seeking approval to replace its sole existing retort with a new model.

Trustees believe the replacement costs, estimated at \$133K (schedule 3) are appropriate because the current retort needs approximately \$50,000 in repairs (schedule 7 assert #5,6 and schedule 10(PDF repair estimate)). However, even with these \$50K in estimated repairs, the existing machine would not comply with pending DEC emission standards.

Therefore, trustees do not believe it would be prudent to spend the \$50K to repair a retort which may need to be completely replaced to meet DEC pending requirements.

Cemetery Trustees believe the new retort will have limited impact on the number of cremations performed, other than allowing for cremations of obese individuals (schedule 7 assert # 1). At the present time, trustees do not believe the new retort will provide utility material costs savings and potential savings for repair costs are unknown (schedule 7 assert #8).



Department  
of State

## Costs:

The new retort would cost approximately \$133,000 (ROI schedule 3) comprised of:

- 1) Purchase price: \$126,305
- 2) Removal of old retort: \$6,000
- 3) Two weeks loss of income: \$434 – based on 2 weeks 4-year average income.

## Revenues:

Other than the possibility of additional revenue from infrequent obese cremations, trustees believe there would be no material impact on cremation revenue.

## Cemetery Balance Sheet (Schedule 2):

As of December 31, 2018, the crematory's assets are limited to three bank accounts, totaling \$104,746:

- 1) Checking # 6117 \$ 24,594
- 2) Savings # 9179 70,031
- 3) Savings # 1866 10,121

Trustees indicated the bank equipment loan and all crematory equipment will be owned by the Leatherstocking Crematory (Schedule 7 asset# 7).

As of 10/28/19, the actual amount to be financed will be as much as \$136K. For analysis purposes, the writer of this report also ran an amortization of \$80K (schedule 6a) in financing based on the \$104,746 available ( $\$136K - \$80K = \$56K$ ) \$56K is approximately half of current available funds.

## Impact on PM:

As a stand-alone crematory, there are no PM implications (schedule 5).

## Cemetery Income and Expenses (Schedule 1):

**Income:** Crematory income is comprised almost entirely of cremation income. Income levels (2015-2018) are decreasing overall and the number of cremations has been decreasing at a slightly greater rate. Increase in service charges in 2016 mitigated the effect of decreased number of cremations. As stated above, the replacement of the old retort is not expected to materially impact revenue.

Review of the number of annual cremations reported, by five nearby crematories, (schedule 12) shows an increase in the # of cremations performed. Although no specific conclusion can be reached by this increasing trending, as opposed to the recent decline by Leatherstocking, meaningful analysis may need to be performed to address the cause for Leatherstockings decline and if it impacts the need for a new retort.

Based on a November 2019 email from Nicole Fox, the 2018 decline in cremations appears to have reversed in 2019. As of November 12, 2019, Leatherstocking performed 151 cremations, which annually projects to 175 annually for 2019.

Nicole Fox also indicated trustees are considering increasing the service charge to \$400 from \$350 to improve financial operations. Nicole did not feel the increased service charge would have a material impact on the number of cremations performed based on the location of funeral homes utilizing Leatherstocking.

**Expenses:** Crematory expenses remained relatively constant from 2015-2018. Although uncertain as of October 28, 2019, operating expenses will materially increase for debt service on the equipment loan.

Annual debt service (assuming 10-year loan at 7.75% interest rate) would be approximately \$19.5K on a ten-year \$136K bank loan and \$11.5K on a ten-year \$80K bank loan (schedule 6 and 6a). Based on an email

from Nicole Fox, the crematory would be willing to use the vast majority of available funds for a down payment to reduce debt service costs. Based on cursory discussions, this could reduce the equipment loan to approx. \$50K and reduce annual debt service costs to \$7.2K

**April 2, 2020 update:** Trustees, via a February 27, 2020 phone conversation, committed to increase the down payment on the new retort to \$100,000 (the vast majority of their current available cash funds) as well as obtaining a lower loan interest rate (5.75%)(see schedule 16) by going with a seven year loan (prior loan was for 10 years at 7.75%). The reduction financed (down to \$36,000 and lower interest rate 5.75%) will decrease total debt service to \$6,259 for seven years. ROI (schedule 3) improves from 76% to 137% based on \$52,176 reduction in interest expense. **See reiterated assertion (schedule 17 pg 1 of 9) trustees intended to make \$100,000 down payment to help reduce debt service costs.**

#### **Annual Report Filings:**

Although the crematory filed the standard annual financial report (DOS 0415), they have not complied with the DOC requirement stand-alone crematories obtain an external CPA audit (200.4 post 2015 reporting). Trustees indicated they had not contracted for an external audit (Schedule 7 assert # 8) because of the associated cost of such an engagement.

Although no specific data is available, trustees indicated the cost of annual audit could be approximately \$5,000.

To address the current lack of compliance with the external CPA audit, trustees obtained an engagement letter, dated December 4, 2019 for audit services, for the year ending December 31, 2019. (see schedule 13).

**February 5, 2020 update:** Trustees provided (via email) a statement that their accountant indicated the audit of 2018 and 2019 records could be completed by April 30, 2020 (Schedule 14).

**April 2, 2020 update:** Trustees provided an engagement letter (exhibit 13) their accountant plans to the audit Crematory's records. Trustees emailed the audit would be for 2018 and 2019 years and could be completed by April 30, 2020 (exhibit 14). Senior accountant, Andrew Hickey, confirmed the plan to conduct the required CPA audit in a call on February 20, 2020, with external accountant Deborah Mostert, Partner of firm.

#### **Related Party Transactions:**

Payments to related parties comprise approximately 58% of total expenditures (schedule 1). These payments are comprised of rent payments to Michael and Darlene Fox (schedule 9) and contractual payments to Nicole Fox and Hilary Fox who receive \$75 and \$35 per cremation respectively.

Section 74 of the Act prohibits a not-for-profit corporation from "enter[ing] into any related party transaction unless the transaction is determined by the board" of the corporation "to be fair, reasonable and in the corporation's best interest at the time of such determination." The Act further prohibits "[a]ny director, officer or key employee who has an interest in a related party transaction shall disclose in good faith to the board, or an authorized committee thereof, the material facts concerning such interest." N-PCL § 715(a).

The composition of the Crematory's board is made up almost entirely of related parties which would appear to prevent approval of these transactions by not less than a majority vote of the directors or committee members present at the meeting. Verbal assertions from Nicole Fox on December 4, 2019 indicated officers are recruiting independent trustees to improve compliance with non-profit revitalization requirements related to approval of related party transactions.

**February 5, 2020 update:** Trustees provided (via email) names of two individuals interested in being trustees. Trustees indicated these individuals are independent of the Crematory (Schedule 14). One of the new trustees is a trustee of a nearby cemetery. These individuals are reviewing, among other

crematory matters, the appropriateness of related party transactions.

Furthermore, failure to comply with CPA audit requirements, noted above, materially limits the ability to determine if these related party transactions are fair and reasonable.

**April 2, 2020 update:** Trustees indicated, in a February 27, 2020 phone discussion, that a board meeting was scheduled in late March 2020 to formally appoint these independent trustees to the board. Although concerns over COVID 19 prevented a formal board meeting in March 2020, the newly appointed independent trustees reviewed and provided verbal approval (schedule 17 TLC1.pdf pg 1 of 9) of fixed payments to related parties and provided signed approvals of rental payments to Mike Fox Sr. (a related party) (schedule 17 pg. 6 and 9 of 9).

Additionally, these contractual payments may be prohibited by Section 1513(a)(3), as payments to individuals, other than a person regularly employed and supervised by the cemetery corporation, are unlawful.

**February 5, 2020 update:** Trustees provided (via email) a statement that individuals performing cremation services would be reclassified as employees and paid via a W-2 instead of the current 1099 independent contractor format. April 1, 2020 is the proposed date for implementation (Schedule 14).

**April 2, 2020 update:** Trustees addressed this by switching to paying operation and administrative staff an annual fixed contract price of \$15,600 and \$6,500. Previously contracted staff were paid a per cremation price (\$75 and \$35 respectively). This change occurred in early 2020 per a February 27, 2020 phone call from Trustees.

**Federal Income Tax filing:** As of October 28, 2019, the crematory does not file a federal income tax return (990 or 1120). The lack of filing was addressed in a DOC letter dated September 2017, but to date no 990 or 1120 return is filed with the IRS. Trustees provided an October 24, 2019 email they are working with their accountant so that the Crematory will file a 990-tax return. (schedule 7 assertion #9). Verbal assertions from Nicole Fox on December 4, 2019 reiterated the crematory's commitment tax return.

### **ROI (Schedule 3):**

**ROI:** Analysis indicates approximately 76% return. However, this analysis is based on a general assumption of 30 years of operations under the current four-year average of income.

### **Sales and Payback (Schedule 4):**

Based on available information, it appears the payback of capital expenditure could take approximately 12 years before payback. Cost of capital expenditure and financing totals \$196K and interest payments would be approximately \$60K. Trustees could materially reduce debt service costs by applying a portion of current funds \$104K (schedule 2) to the cost of the new retort. An analysis based on a smaller loan of \$80K at 7.75% indicated the interest cost could be reduced by approximately 25K (schedule 4) and reduce the payback to approximately 6 years (schedule 4 and 6a).

### **Benefits**

1. Assuming tighter DEC regulations are implemented, this new retort will allow the crematory to continue to operate (service to community).
2. Reduced emissions from the crematory.

### **Negatives**

1. Based on the current operating business model, including declining annual cremations performed and small profit margins, long-term financial viability could be severely affected by 10 years of debt service

costs, between \$11K-\$19K and costs to comply with DOC reporting requirements (200.4 CPA audit for standalone Crematories).

2. Could negatively impact traditional crematories.

### **Recommendation**

Overall recommendation for approval, contingent on trustees bringing Crematory in compliance with:

- 1) Division of Cemetery's audit requirement for Non-traditional cemeteries.
- 2) Annual filing of 990 tax return with the IRS.
- 3) Compliance with Non-profit revitalization requirements (emphasis on independent trustees and documentation on approval of related party transactions).
- 4) Address the potential compliance issue with 1513(a)(3) that individuals are being paid who are not regular employees of the crematory.

Potential next steps, to facilitate a more conclusive recommendation:

- 1) Regarding expenses 1) determine if other cost savings measures can be implemented.
- 2) Regarding revenues: 1) determine if increasing service charge to perform a cremation could be increased from the current \$350 level.
- 3) Clarify implementation timeframe of DEC regulations.

Senior Accountant,

Andrew Hickey

# Exhibit 1

Schedule 1	4 Y/R Income Expense Analysis	
Name	Leatherstocking Crematory	
County	Otsego	
Cemetery #	39-050	
Application Type	Major Reno - Replace retort	

### Conclusions about revenue

- 1) Crematory's cremation service charge is the only material revenue source.
- 2) Cemetery's adult cremation charge was increased from \$295 to \$350 for 2016.
- 2a) Comparison of total revenue, service charges, and the number of cremations performed, gives no indication of material comingling of funds from an another entity (eg: for profit funeral home).
- 3) The number of annual cremations is declining and averages approx 173.50 a year
- 4) Overall revenue is declining, but increase in service charge has mitigated \$ value of revenue decline.
- 5) Trustees indicated they believe the negative income/cremation trend will not continue because:
  - a) the new retort will allow for more obese cremations and the overall increasing trend in cremations (schedule 7 assertion #1)

### Conclusions about Expenditures and results from operations

Source:

- 1) Operating expenditures are steady and average approximately \$44,296.29
  - 1a) Operating expenses seem lower than other crematories based on informal comparison of less than 4 other crematories and over the last 4 years costs average \$260.01 per cremation
  - 1b) the lack of an outside audit, as required for standalone crematories as of 2016, prevents any meaningful determination if disbursements are being commingled with another entity (eg: for profit funeral home)
- 2) Wages, utilities and rent comprise the vast majority of expenses and average 88.93% of total expenses
- 3) Wages are based on a flat payment, to a **related party** for \$75 and \$35 per cremation
- 4) Reported utility costs have been declining in recent years.
- 5) Reported rent costs, paid to a **related party**, average \$10,350.00 and increased in 2018
- 5a) Trustees indicated 2019 lease agreement is for annual rent of \$14,400 and is payable to Michael and Darlene Fox
- 5a) Trustees indicated, prior to 2019, there is no formal lease agreement
- 6) Related party transactions comprise 57.97% which include rent and wages
- 7) Although no specific data is available, future net earnings will be materially and negatively impacted by:
  - a) 10 years of debt service cost (see schedule 6) and b) cost of external CPA audit required for standalone crematories
- 8) Surpluses from operations have been steadily declining and average \$11,283.65

### Features:

YEAR	12/31/2018	12/31/2017	12/31/2016	12/31/2015	Four Yr Avg
Retorts (total)	1	1	1	1	
Cremations	140	173	164	217	173.50
	-19.08%	5.49%	-24.42%		

YEAR	12/31/2018	12/31/2017	12/31/2016	12/31/2015	Four Yr Avg
<b>Operating Income</b>					
Cremations - adult	47,370	59,850	50,325	63,430	\$55,243.75
Cremations - other	1,000	280	52		\$333.00
Dividends and Interest		5	4	4	\$3.19
<b>Total Revenue</b>	<b>48,370</b>	<b>60,135</b>	<b>50,381</b>	<b>63,434</b>	<b>\$55,579.94</b>
<b>Annual change in operating revenues</b>	<b>-19.56%</b>	<b>19.36%</b>	<b>-20.58%</b>		

Expenses Operating and Maintenance	12/31/2018	12/31/2017	12/31/2016	12/31/2015	Four Yr Avg
Employee Wages	15,250	15,925	13,860	16,275	\$15,327.50
Advertising	135	150			\$71.25
CANA	495	495			\$247.50
Reimbursement	1,200	1,200	1,000	1,000	\$1,100.00
Supplies and Repairs	2,566	5,354			\$1,980.06
Equipment					\$0.00
Insurance - G/L	0	0	0	0	\$0.00
Insurance - W/C	0	0	0	0	\$0.00
Insurance - Commercial Crime	0	0	0	0	\$0.00
Other - utilities	8,543	13,210	12,888	20,226	\$13,716.98
Vandalism & Assessment	1,235	1,499	1,427	1,851	\$1,503.00
Other - Rent	14,400	9,600	9,000	8,400	\$10,350.00
Other - Miscellaneous					\$0.00
<b>Total Expenses</b>	<b>43,824</b>	<b>47,433</b>	<b>38,175</b>	<b>47,752</b>	<b>\$44,296.29</b>
<b>Annual change in operating expenditures</b>	<b>-7.61%</b>	<b>24.25%</b>	<b>-20.06%</b>	<b>25.09%</b>	
<b>Surplus / (Deficit) - annual</b>	<b>4,545.88</b>	<b>12,701.69</b>	<b>12,205.87</b>	<b>15,681.15</b>	<b>\$11,283.65</b>

# Exhibit 2

Schedule 2	4 YR Balance Sheet
Name	Leatherstocking Crematory
County	Otsego
Cemetery #	39-050
Application Type	Major Reno - Replace retort

<b>Conclusion on Assets:</b>
1) Overall assets have steadily increased from 2014.
2) No liabilities have been reported
3) Increases in assets appears to be largely driven by net income from operations.
4) Available funds are not sufficient to purchase replacement retort w/o financing

Balance sheet- Financial Assets Cost Basis	12/31/2018	12/31/2017	12/31/2016	12/31/2015
General fund				
Checking # 6117	\$24,594	\$30,748		
General Savings # 9179	\$70,031	\$60,000	\$78,916	\$67,534
Savings Repair account # 1866	\$10,121	\$9,254	\$9,247	\$8,423
Permanent Maintenance	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
<b>Total Financial assets</b>	<b>\$104,746</b>	<b>\$100,002</b>	<b>\$88,163</b>	<b>\$75,957</b>

Balance sheet- Non- Financial Assets	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Non-financial assets	\$0	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$104,746</b>	<b>\$100,002</b>	<b>\$88,163</b>	<b>\$75,957</b>

Balance sheet- Liabilities	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Assets net of liabilities	\$104,746	\$100,002	\$88,163	\$75,957

PM Restricted Balance	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Y/E Restricted PM Balance	n/a no PM	\$ 0.00	\$ 0.00	\$ 0.00
Available funds	\$ 104,745.60	\$ 100,002.29	\$ 88,162.70	\$ 75,956.83

# Exhibit 3

Schedule 3	ROI
Name	Leatherstocking Crematory
County	Otsego
Cemetery #	39-050
Application Type	Major Reno - Replace retort

Analysis of estimated sales and expenditures indicates simple ROI will be approximately **74.10%**

Steps:  
 Based expense of report on: 1) purchase price (approx \$126K), removal of old retort (approx \$6,000), and loss of income for two weeks (approx \$)434  
 Based revenue figure of \$338,509.43 on average income over last four year over a 30 year-period

Assumption: ROI calculation assumes stricter DEC regulations are enacted and Leatherstocking would need to cease operations w/o replacing retort  
 Trustees indicated the new machine is expected to last indefinitely with proper maintenance

Net Income	Estimated # of years	Reference	Estimated # of years	Total Revenue
Avg NI from 2015-2018	\$11,283.65	Schedule 1	30	\$338,509.43
Totals				\$338,509.43

EXPENSES	Construction costs		Comments
	Power-Pak II Plus	\$ 125,272	Schedule 11 Purchase agreement
	Deduct LT-1bs Table/Scale	-\$ 3,000	Schedule 11 Purchase agreement
	M-pyre 2.0 ... Renewal		
	Subscription	1,788	Schedule 11 Purchase agreement
	Gov/t surcharge - 1800 degree preheat	3,605	Schedule 11 Purchase agreement
	Shipping and freight	3,675	Schedule 11 Purchase agreement
	Loyalty discount	-5,035	Schedule 11 Purchase agreement
	Cost to remove existing retort	6,000	Per 9/20/19 email from Leatherstocking to AFH
	Debt Service	59,991	Schedule 6
	Contra - estimate of cost savings	-1	Estimate of annual cost savings over X years - not provided as of 9/27/19
	Loss of two weeks revenenue	2,138	Based on 2 weeks loss of business and 4 yr average income
	Reduction of variable material expenses (wages and utilites)	-1,117	
	<b>Total Expenses</b>	<b>\$194,432.61</b>	
	<b>Project Return</b>	<b>\$144,076.82</b>	Gross Revenue above less total expenses
	<b>% Return</b>	<b>74.10%</b>	

Schedule 3	ROI
Name	Leatherstocking Crematory
County	Otsego
Cemetery #	39-050
Application Type	Major Reno - Replace retort

Analysis of estimated sales and expenditures indicates simple ROI will be approximately **-41.97%**

Per JA's 10/29/19 suggestion to change to 10 years from 30

Steps:

Based expense of report on: 1) purchase price (approx \$126K), removal of old retort (approx \$6,000), and loss of income for two weeks (approx \$)434

Based revenue figure of \$112,836.48 on average income over last four year over a 30 year-period

Assumption: ROI calculation assumes stricter DEC regulations are enacted and Leatherstocking would need to cease operations w/o replacing retort  
Trustees indicated the new machine is expected to last indefinitely with proper maintenance

Net Income	Estimated # of years	Reference	Estimated # of years	Total Revenue
Avg NI from 2015-2018	\$11,283.65	Schedule 1	10	\$112,836.48
Totals				\$112,836.48

EXPENSES	Construction costs		Comments
	Power-Pak II Plus	\$ 125,272	Schedule 11 Purchase agreement
	Deduct LT-1bs Table/Scale	-\$ 3,000	Schedule 11 Purchase agreement
	M-pyre 2.0 ... Renewal		
	Subscription	1,788	Schedule 11 Purchase agreement
	Gov/t surcharge - 1800 degree preheat	3,605	Schedule 11 Purchase agreement
	Shipping and freight	3,675	Schedule 11 Purchase agreement
	Loyalty discount	-5,035	Schedule 11 Purchase agreement
	Cost to remove existing retort	6,000	Per 9/20/19 email from Leatherstocking to AFH
	Debt Service	59,991	Schedule 6
	Contra - estimate of cost savings	-1	Estimate of annual cost savings over X years - not provided as of 9/27/19
	Loss of two weeks revenue	2,138	Based on 2 weeks loss of business and 4 yr average income
	Reduction of variable material expenses (wages and utilites)	-1,117	
	<b>Total Expenses</b>	<b>\$194,432.61</b>	
	<b>Project Return</b>	<b>-\$81,596.13</b>	Gross Revenue above less total expenses
	<b>% Return</b>	<b>-41.97%</b>	

# Exhibit 4

Schedule 4	Sales Projection and payback	
Name	Leatherstocking Crematory	
County	Otsego	
Cemetery #	39-050	
Application Type	Major Reno - Replace retort	

Conclusion: Assuming the average net income of the crematory continued at \$11,284

Scenario # 1 - \$136K financed and \$50K cost of needed repairs avoided  
 It would take **12.97** years before cost of new retort would be paid back

Scenario # 2 - \$80K financed and \$50K cost of needed repairs avoided  
 It would take **5.78** years before cost of new retort would be paid back

Scenario # 1		Scenario # 2		
Amount Financed	136,305	Schedule 6	80,000	Schedule 6a
Debt Payments	59,991		35,211	
Avoided Repair costs	-50,000		-50,000	
<b>Total debt service</b>	<b>146,296</b>	Schedule 7	<b>65,211</b>	Schedule 1
4 yr average income	11,284		11,284	
<b>Sales Payback in years</b>	<b>12.97</b>		<b>5.78</b>	

# Exhibit 5

Schedule 5	PM loan payback	
Name	Leatherstocking Crematory	
County	Otsego	
Cemetery #	39-050	
Application Type	Land Purchase	
Conclusion:	N/A - standalone crematory with no restricted PM balance.	

# Exhibit 6

Schedule 6 Name County Cemetery # Application Type	Commercial Loan Payment Leatherstocking Crematory Otsego 39-050 Major Reno - Replace retort
--	---

Conclusions:	Source
1) Trustees indicated the cost of the new retort would be at least \$126K and could increase by \$10K for removal of existing unit	Schedule 7
2) As of 12/31/18, available funds are approximately \$ 104,746	Schedule 2
3) Current interest rate available by NBT is 7.75%, but NBT indicated they might lower rate upon Cemetery board approval	Schedule 8
4) Trustees indicated this loan could be paid down with available funds in the future.	Schedule 7 assertion# 2
5) Annual loan payments would total \$ 19,629	Amort below

Amortization table is based on:	
1) 10 year term at 7.75%	
2) Principal payments of	\$136,305
3) Interest payments of	\$59,991
4) Annual Debt service of	\$19,629

Date	Interest	Principal	Balance
Oct, 2019	\$880	\$756	\$135,549
Nov, 2019	\$875	\$760	\$134,789
Dec, 2019	\$871	\$765	\$134,024
<b>2019</b>	<b>\$2,626</b>	<b>\$2,281</b>	<b>\$134,024</b>
<b>2028</b>	<b>\$1,860</b>	<b>\$17,770</b>	<b>\$14,258</b>
Jan, 2029	\$92	\$1,544	\$12,714
Feb, 2029	\$82	\$1,554	\$11,160
Mar, 2029	\$72	\$1,564	\$9,597
Apr, 2029	\$62	\$1,574	\$8,023
May, 2029	\$52	\$1,584	\$6,439
Jun, 2029	\$42	\$1,594	\$4,845
Jul, 2029	\$31	\$1,605	\$3,240
Aug, 2029	\$21	\$1,615	\$1,625
Sep, 2029	\$10	\$1,625	\$0
<b>2029</b>	<b>\$464</b>	<b>\$14,258</b>	<b>\$0</b>
	\$59,991	\$136,305	\$196,296

Schedule 6a Name	Commercial Loan Payment
County	Leatherstocking Crematory
Cemetery #	Otsego
Application Type	39-050
	Major Reno - Replace retort

Conclusions:	Source
1) Trustees indicated the cost of the new retort would be at least \$126K and could increase by \$10K for removal of existing unit	Schedule 7
2) As of 12/31/18, available funds are approximately \$ 104,746	Schedule 2
3) Current interest rate available by NBT is 7.75%, but NBT indicated they might lower rate upon Cemetery board approval	Schedule 8
4) Trustees indicated this loan could be paid down with available funds in the future.	Schedule 7 assertion# 2
5) Annual debt service payments would total \$ 11,521	Amort below

Amortization table is based on:	
1) 10 year term at 7.75%	
2) Principal payments of	\$80,000
3) Interest payments of	\$35,211
4) Annual Debt service of	\$11,521

Date	Interest	Principal	Balance
Oct, 2019	\$517	\$443	\$79,557
Nov, 2019	\$514	\$446	\$79,110
Dec, 2019	\$511	\$449	\$78,661
<b>2019</b>	<b>\$1,541</b>	<b>\$1,339</b>	<b>\$78,661</b>
<b>2028</b>	<b>\$1,092</b>	<b>\$10,429</b>	<b>\$8,368</b>
Jan, 2029	\$54	\$906	\$7,462
Feb, 2029	\$48	\$912	\$6,550
Mar, 2029	\$42	\$918	\$5,633
Apr, 2029	\$36	\$924	\$4,709
May, 2029	\$30	\$930	\$3,779
Jun, 2029	\$24	\$936	\$2,843
Jul, 2029	\$18	\$942	\$1,902
Aug, 2029	\$12	\$948	\$954
Sep, 2029	\$6	\$954	\$0
<b>2029</b>	<b>\$273</b>	<b>\$8,368</b>	<b>\$0</b>
	<b>\$35,211</b>	<b>\$80,000</b>	<b>\$115,211</b>

# Exhibit 7

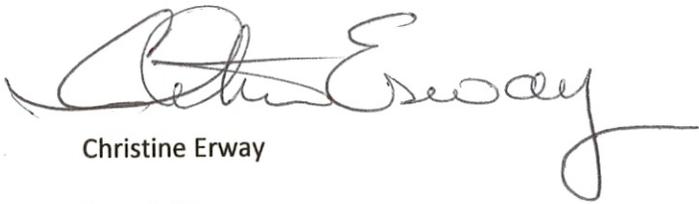
Schedule 7	Trustee assertions	
Name	Leatherstocking Crematory	
County	Otsego	
Cemetery #	39-050	
Application Type	Land Purchase	
Conclusion:	N/A worksheet lists feedback from Trustees for reference purposes	
Assertion	Source	Excerpt
#1	10/24/19 email.	With the new one it will be a 1,000 LB limit which will help us better serve the Funeral Homes who are using us. We also feel that we will soon be seeing a future increase in cremations and one of the reasons it has had a slow pace is because people are living longer. The bottom line is usually cremations is the most economical choice for families and having this Crematory is a reliable business. (to schedule #1)
#2	10/24/19 email.	Our local NBT Bank of Cherry Valley, NY attached is the estimated Equipment loan of 10 years and current rates. They believe that when we actual apply if this is passed by the State of NY our interest rate would be even lower. And once things our settled we will be pulling money out of the accounts to help pay down the loan. (to schedule #6)
# 3	10/24/19 email.	Attached is the current rental agreement(schedule 9) between the renter -The Leatherstocking Crematory Inc. and Building Owners- Michael and Darlene Fox. Current rent is \$1,200 a month including utilities totaling \$14,400 a year. (to schedule #1)
# 4	Verbal assertion from Nicole	Contract Wages (reported on schedule 1) are for the vast majority, based on \$75 per cremation to Nicole Fox for performing cremation and \$35 for administrative paper work paid to another related party (daughter-in-law) (to schedule #1)
# 5	10/24/19 email.	Attached will be the quote for \$41k but with a slight notation here, that even if we bring the current Cremator IEE Power Pak up to proper running order, if the DEC puts in place the new regulations our machine would never be able to Pre-heat to the new standard of 1800 degrees (to Accountant write-up)
# 6	9/22/19 email	Excerpt from September 22, 2019 email from trustees: 2. Investing \$50,000 into a Machine that we do not know currently, which way the DEC will go with the new standards of regulations based upon pre-heating at 1800°, which the machine we currently have could never be converted or in compliance too. If this is passed we would have to be in compliance within in 2 years. The Leatherstocking Crematory would financially have a hard time in doing this after investing \$50,000 in an obsolete machine (to accountant write-up)
# 7	10/24/19 email.	The Loan and all crematory equipment will be owned by The Leatherstocking Crematory Inc. No sole person is the owner or responsible and the Board members will have control over it. It will be stated in the minutes that all is under The Leatherstocking Crematory Inc. A letter will be attached to this for you from the board.
# 8	9/20/19 email	We use Propane gas as our fuel source and even though the preheating would cause us to use more Propane, it would speed up cremation time thus leveling out to about the same usage of gas now. Plus once the machine has ran one case it would decrease gas usage after the first case of that day allowing us to do multiple cases in 24 hours saving us in gas usage.
#8 a	10/24/19 email.	Written estimate from vendor that it would cost \$50K to bring the machine up to proper running order. (schedule 10)
# 9	10/24/19 email.	We have spoke with our CPA and should be meeting with him sometime soon to discuss if we should file or any other options he has for us. (to accountant write-up)

# Exhibit 8

10/16/2019

To whom it may concern:

Nicole Fox was in my office today acquiring about a loan for the Leatherstocking Crematory Inc.  
The amount is for \$136,304.92 with an estimated interest rate of 7.75% for a term up to 10 years.

A handwritten signature in black ink that reads "Christine Erway". The signature is written in a cursive style with a long, sweeping tail on the letter "y".

Christine Erway

Branch Manager

Cherry Valley Office

607-264-8411

# Exhibit 9

January, 2019

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc. These cost will be agreed upon by both parties.

The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)

*Darlene A. Fox*

The Leatherstocking Crematory Inc. Director

*Michael W. Fox*

The agreed rent for 2019 is \$1200.00 a month rent and includes water/electricity.

# Exhibit 10

**Matthews Cremation**

2045 Sprint Boulevard  
Apopka, FL 32703  
800-327-2831

**Matthews**  
MEMORIALIZATION

November 30, 2017

Mr. Mike Ottman  
Leatherstocking Crematory  
22 Church St.  
Chery Valley, NY 13320

Dear Mr. Ottman,

Thank you for the opportunity to service and inspect your Power Pak cremation unit. As a follow up to our recent visit, there were areas discovered during the inspection performed by our technician, Rick Thomas that are in need of repairs.

We propose to send one technician and one helper with the necessary materials to your location to perform the following services:

- Completely rebuild the refractory in your unit that will include in the cremation chamber, removing and replacing the cremation chamber roof; floor; walls; loading door refractory; throat area walls. In the after chamber we will remove and replace the entire after chamber roof; perimeter walls; divider wall and baffles; access wall.
- Remove and replace the venturi / draft inducer located at the rear of the unit, which supplies the unit with the necessary draft.

The cost to provide the above described repairs, labor for two technicians, materials, and rental of additional equipment, travel and subsistence is quoted at \$38,986.00 and are subject to applicable state and local taxes. ***This price does not include freight. Freight will be invoiced separately.***

In addition to the aforementioned repairs, we would like to submit for your approval the following option(s), that can be completed while we are at your facility performing other repairs:

- Furnish and install industrial air control valves and actuators, for purposes of controlling the hearth and throat airs. The actuators will be activated from a timer installed in the area of the existing control panel complete with indicator lights.

The cost to provide the above described repairs, to be done while we are there during the rebuild will be \$3622.00 and are subject to applicable state and local taxes.

- Furnish and install a Partlow temperature controller to replace the Burling temp. control. This will include the necessary thermocouple and wiring.

The cost to provide the above described repairs, to be done while we are there during the rebuild will be \$3082.00 and are subject to applicable state and local taxes.

Mike Ottman  
Leatherstocking Crematory  
Nov. 30, 2017  
Page 2 of 3

*"It will be the responsibility of the facility to have a licensed gas technician come to the facility the morning the job starts and disconnect the main gas line that is connected to the unit. The main gas line will need a cap installed so that gas cannot leak into the room during the repair. Local requirements may require a lock out/tag out device on the gas line. At the completion of the repairs, the gas technician will have to return to the facility and reconnect the main gas line to the cremation unit. This reconnection will need to be completed before our technician is scheduled to leave."*

*We will ship the necessary materials to your location. You will be responsible for receiving, off-loading and placing them in a dry area close to the crematory. This will require either a forklift or front-end loader to remove the palletized materials from your local delivery service. In addition, it will be necessary that you provide a dumpster to haul away the old refractory material. **Please acknowledge this by initialing here \_\_\_\_\_.***

All of our repair work is covered under warranty for a period of **90 days** against defects in materials and workmanship, f.o.b. Orlando, FL. Prices quoted are subject to applicable state and local sales taxes, and are valid for a period of 90 days from the date of the contract, after which time prevailing prices will apply.

To guard against shortages due to damaged materials in transit, we will send at our cost more material than is actually required to perform the repair work. Please note that we will not credit your account for any remaining materials. Should this be the case, it is your option to store any remaining materials for future use or to have our technician dispose of them prior to leaving your facility. **Please acknowledge this by initialing here \_\_\_\_\_.**

You have a \$4000.00 credit line with Matthews. Policy regarding repairs over \$10,000.00 will require a deposit of \$41,700.00 before scheduling and shipment of materials to your location. The balance of the repair cost including taxes and remaining freight charges will be due NET30 upon completion of the work. Unpaid balances beyond thirty days will be subject to a 1½% per/month penalty. **Please acknowledge this by initialing here \_\_\_\_\_.**

It is very important that your unit be cool before we perform any type of repairs. Please make sure that you do not operate your unit 48 hours before the arrival of our technician. **Please acknowledge this by initialing here \_\_\_\_\_.**

I sincerely appreciate the opportunity to work with you on these repairs and look forward to receiving your authorization to proceed. If at any time you have any questions regarding this information, please do not hesitate to contact me on our toll-free number, 1-800-327-2831.

Upon acceptance, date and sign below and return a copy to my office for scheduling. I will forward the work order to Service for scheduling purposes. Please feel free to contact Matt Crumbaker at ext. 2066119 with questions regarding scheduling. Be sure to send the deposit (if required) to the Apopka office to ensure proper credit is applied to your account; our address is shown on the first page of this quote. **My direct fax number is 412-315-3009 or you can scan and email to [rthomas@matw.com](mailto:rthomas@matw.com).**

Mike Ottman  
Leatherstocking Crematory  
Nov. 30, 2017  
Page 3 of 3

Sincerely,

***Rick Thomas***

Rick Thomas  
Matthews Cremation Division  
Northeast Service & Supply Representative  
Phone – 800-327-2831 ext. 2066176  
Direct Fax: 412-315-3009

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Rebuild as indicated - \$38,986.00 plus freight charges and applicable taxes

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Air upgrades - \$3622.00 and applicable taxes

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
UDC upgrade - \$3082.00 and applicable taxes

Deposit of \$41,700.00 is required to do all three proposals.

Please confirm the ship to address for the materials \_\_\_\_\_

**Insurance Disclaimer:**

For every work order, Matthews Cremation carries a \$1,000,000 disability and \$2,000,000 liability coverage for our certified technicians and client security. In using anyone other than Matthews to perform this critical service, make certain any/all vendors supply proof of insurance before they set foot in your crematory. Failure to carry both disability and liability insurance places your company and employees at risk, completely liable for damages. Work performed on Matthew's equipment outside of our employees voids any/all warranties.

# Exhibit 11



Leatherstocking Crematory Inc. &lt;cvtlcinc@gmail.com&gt;

---

**Updated Contract**

1 message

---

**Salvatore, Ron** <RSALVATORE@matthewsintl.com>  
To: cvtlcinc <cvtlcinc@gmail.com>

Tue, Oct 15, 2019 at 2:08 PM

Hi Nicole,

Please find attached the updated contract with you as President. Note that the contract expires in 60 days. In reality you have until the end of the year to send in the order and 10% deposit. Even if you have not secured the final ok from the Division by then, send it in. If they ultimately deny, we cancel the order and return the deposit. We just can't extend last year's prices after Dec 31.

Please let me know if there is anything else you need. As we discussed, the extra stack and damper will add roughly \$10,000 to the project. The exact amount of stack and cost will be determined by engineering once we have the necessary information about the building.

Call with any questions. Thanks!

**RON SALVATORE****EQUIPMENT CONSULTANT**

O: 407.886.5533 x 2066140 | H: 330.954.8379 | M: 407.754.5198 | F: 412.315.3003

rsalvatore@matw.com | MatthewsEnvironmentalSolutions.com

2045 Sprint Blvd. | Apopka, FL. 32703-7762

Matthews Environmental Solutions and Matthews Memorialization are (MATW) Matthews International companies.

**CONFIDENTIALITY NOTICE:** This message, together with any attachments, is intended only for the addressee. It may contain information which is proprietary, confidential, legally privileged and/or exempt from disclosure. If you are not the intended recipient of this message, you are hereby notified that any disclosure, copying, distribution, use, or any action or reliance on this communication is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately by return e-mail and delete the message, along with any attachments.



October 14, 2019

Ms. Nicole T. Fox  
Leatherstocking Crematory Inc.  
22 Church St.  
Cherry Valley, NY 13320

Dear Nicole,

Thank you for allowing us the opportunity to present this crematory equipment proposal. The enhanced business opportunities of owning cremation equipment have never been stronger. The choice for cremation services with today's consumer is growing and the timing is perfect to differentiate your services and enjoy the additional revenue opportunities with this expanding market.

Matthews represents the highest standards for cremation equipment, service and merchandising solutions. With more than 4,500 installations in over 50 countries, our clients confidently know that we symbolize the finest technology, highest safety standards and 24/7 service & technical support. We understand the magnitude of this decision and are committed to ensuring your investment is built upon a solid foundation for long-term success.

We are proud to present this equipment contract based on the information we have gathered about your current and future business requirements. This comprehensive proposal contains a Purchase Agreement, Project Itemization List and Terms & Conditions.

Upon acceptance of this proposal the next step is to sign and initial all enclosed documents, then return the originals with a standard 10% "good faith" deposit. After receipt of these documents, we will forward a "Pre-Construction Checklist" for you to complete and return to us as soon as possible. Once we receive this checklist, we will prepare the appropriate environmental application and forward it to you along with the equipment installation instructions. If you are unable to obtain all necessary permits and financing, we will cancel the order and return your full deposit. This is our commitment to you.

We want you to be confident with your purchase and know that with Matthews, you have a team of experts who will guide you through this process. I will follow-up shortly to review any questions you may have, or please feel free to call me at our toll free number (800)-327-2831. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Ron Salvatore'. The signature is fluid and cursive.

Ron Salvatore  
*Sales Representative*  
ext. 206-6140  
rsalvatore@matw.com

*Enclosures*

Matthews Environmental Solutions  
2045 Sprint Boulevard | Apopka, Florida 32703  
O: 407-886-5533 | F: 407-886-5990 | [www.matthewsenvironmentalsolutions.com](http://www.matthewsenvironmentalsolutions.com)



Matthews Environmental Solutions is a (MATW) Matthews International company

**Seller: Matthews Environmental Solutions**  
2045 Sprint Boulevard  
Apopka, Florida 32703

**Purchaser: Ms. Nicole T. Fox**  
**Leatherstocking Crematory Inc.**  
22 Church St.  
Cherry Valley, NY 13320

**Project Price\***

**\$126,210.49**, which represents the scope of the project brought forward from the Project Itemization List. The Project Price is subject to change due to modifications to the scope of this original contract.

**Downpayment\*\* [10% of the Project Price - Minimum]**

Downpayment of **\$12,621.05** is payable upon the execution of this agreement and shall be applied to the Project Price.

**Project Shipment [85% of the Project Price - Minimum]**

Prior to shipment, 85% of the Project Price **\$107,278.92** must be paid three (3) weeks prior to packing and shipping of equipment. Payment not received will delay shipment.

**Remaining Balance of Project Price**

The final project balance of **\$6,310.52** is due and payable 30 days after shipment of equipment (via wire transfer or check) or at the time of start-up, whichever occurs first. *Startup and training will not occur without this final payment.*

**Lease Financing requires a \$2,500 deposit.\*\*\*\***

**Project**

Sale to Purchaser of cremation equipment (as described by parts on Attachment I), all in accordance with the Terms and Conditions hereof. All attachments are incorporated herein for all purposes.

**Modifications to the Project**

The equipment to be sold may be modified from time to time by execution of a "change order" in substantially the same form as this agreement. Such agreement shall be attached hereto and incorporated herein for all proposed. Changes made prior to scheduled shipment may subject Project to additional charges and delays in delivery. Modifications include any additional stacking custom elbow brackets, additional instrumentation required by an environmental agency or any other customization requested by Owner.

**Cancellation & Delivery Postponement Policy**

If cancellation of an order occurs after Matthews assists in the successful completion of a zoning hearing and/or preparation of an environmental permit, before production of the equipment occurs, there will be a \$2,500 holdback of Purchaser's deposit. An additional cancellation fee, 30% of total project price, will apply if order has entered the production phase. The date of shipment and delivery will be agreed upon and finalized by Seller and Purchaser before production begins. If Purchaser requests a postponement of delivery after equipment has entered the production phase, Purchaser will be subject to a storage fee (per unit) of \$50 per day. Storage fee begins the day after the original agreed upon shipment date and continues until order leaves Seller's facility.

**Cost Summary**

Cremation Equipment	\$130,283.00
Equipment Credit	- \$3,150.00
Government Surcharges	+ \$3,785.00
Other Credit	- \$5,139.36
<b>Sub Total: \$125,778.64</b>	
Loyalty Discount	- \$5,031.15
Services Total	+ \$1,788.00
Shipping & Freight***	+ \$3,675.00
<b>TOTAL DUE: \$126,210.49</b>	
Plus Applicable Government and Local Taxes	

**Terms**

\*The Terms and Price contained herein are valid for sixty (60) days from the written date of this contract.

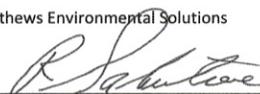
\*\*Downpayment received by Matthews will hold the Terms and Price contained herein for twelve (12) months from the written date of this contract. If equipment is not shipped within that twelve (12) months from the date of this contract, project cost will be subject to prevailing terms and prices.

\*\*\* Freight charges are estimates and subject to change based on prevailing market rates.

\*\*\*\* Lease Finance requires separate payment terms outlined by the finance agency.

**Dated:** October 14, 2019

**Seller:** Matthews Environmental Solutions

  
\_\_\_\_\_  
Ron Salvatore

**Purchaser:** Leatherstocking Crematory Inc.

**Accepted By:** Ms. Nicole T. Fox

**Accepted By:** \_\_\_\_\_  
Matthews Environmental Solutions

**Title:** President

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Bill To: Leatherstocking Crematory Inc.**  
22 Church St.  
Cherry Valley, NY 13320

**Contact:** Ms. Nicole T. Fox  
**Phone:** (607) 264-8141

**Ship To: Leatherstocking Crematory Inc.**  
22 Church St.  
Cherry Valley, NY 13320

**Title:** President  
**Email:** cvtlcinc@gmail.com

Cremation Equipment	Cost	Quantity	Total
1. Power-Pak II PLUS	\$130,283.00	1	\$130,283.00
<b>Deduct:</b> LT-1BS Hydraulic Battery Lift Table with Scale (deducted)		1	(\$3,150.00)
Services	Cost	Quantity	Total
1. M-pyre 2.0™ 1 Year Auto-Renewal Subscription	\$1,788.00	1	\$1,788.00
Government Surcharges	Cost	Quantity	Total
1. 1800° F preheat temperature, door or burner interlock and temp recorder(s)	\$3,785.00	1	\$3,785.00
Other Credits	Cost	Quantity	Total
1. Price Adjustment to reflect 2019 prices		1	(\$5,139.36)
Standard Supplies & Services Included			
1 M-Pyre 2.0 Intuitive Logic Control (ILC) Operating System.*			
1 Set of Sentry loading door safety latches.			
1 Stainless Steel Stack lined with 4.5 inches of refractory, 10 feet of stack included. Also includes storm collar. <b>Note:</b> Additional Stainless Steel Stack costs an additional fee per foot.			
1 Opacity Monitor.			
1 Set of Clean-Out Tools.			
1 Ashpan for transporting the cremated remains from the collection hopper to the processing area.			
1 Environmental applications forms with the necessary technical data for you to submit to the environmental authorities of your area. <b>Note:</b> Does not include local engineering costs/permitting fees that may be required, local environmental modeling or other site specific costs.			
1 Pre-paid and allowed freight from Apopka, Florida to your location.			
1 Start-up service after arrival and installation of equipment. Services include operator training.			
1 Owner's manual.			
1 Case of (36) TCC-1 temporary cremains containers.			
1 Case of shipping boxes (36) for the containers.			
1 Case of rollers (60) for loading the case to be processed.			
100 Stainless Steel identification discs with the name of your facility, city, state and sequential numbering.			

**Notice (if applicable)**

**\*M-pyre 2.0 Subscription Notice:**

60-Day Free Trial is included. After 60 Days from start-up there will be a \$149 per month charge. Each additional unit is \$50 per month. Facility must have a hard wired internet connection, ethernet cable should reach the control panel with 6ft extra. Minimum internet speed required is 128Kbps. Early Termination Fee is \$295 on 1 year auto-renewal contract, plus \$195 for each additional year. All Subscriptions are auto-renewed, cancellations must be submitted in writing atleast 60 days prior to next renewal period.

**Delivery & Warranty**

The time of delivery will be approximately ten (10) weeks after receipt of the pre-construction checklist & environmental construction permit to proceed. The warranty applicable is one (1) year from date of shipment against defects in material and/or workmanship, F.O.B. Apopka, Florida.

Initial

**General**

- 1 The Terms and Conditions of Sale are only those stated below and in the Purchase/Lease Agreement, (collectively, the "Agreement"). The parties hereto agree there are no agreements between the parties, oral or written, with respect to the goods sold or the services provided hereunder (including any made or implied from past dealings) except as expressed in the Agreement and/or herein. To the extent there are any inconsistencies and/or conflicts between the terms and/or language of the Agreement and the Terms and Conditions of Sale, the Terms and Conditions of Sale shall govern and control.
- 2 Shipping and performance dates are estimated only and are not guaranteed. Matthews International Corporation (hereinafter referred to as "Seller") will use every effort to make shipments and/or perform services as scheduled and may make partial shipments. However, the completion of the Agreement is subject to acts of God or the public enemy, fires, floods, unusually severe weather, delays caused by governments (including government priorities, preferences or allocations), delays of suppliers in furnishing materials and services, and any other causes beyond Seller's control ("Force Majeure"). In the event of a Force Majeure, Seller shall not be liable to Purchaser for any delays related to the manufacturing, shipping and/or delivery of the items and/or services contemplated and/or specified in the Agreement.
- 3 Prices quoted, unless otherwise stated, are F.O.B. destination and do include sales tax. If taxes are not paid to Seller, Purchaser will pay these items directly if the law permits or will reimburse Seller if Seller is required to pay them. Purchaser will provide tax exemption certificates or evidence of tax payment if requested by Seller.
- 4 Any amount not paid when due can delay shipment where Purchaser can incur fees associated from rescheduling freight logistics. Purchaser shall not be entitled to set off any amount owing under the Agreement at any time to Seller or any of Seller's affiliated entities.
- 5 Purchaser's execution of the Agreement will be deemed a representation that Purchaser is solvent and able to pay for the items ordered. If Purchaser fails to make payments when due or if bankruptcy or insolvency proceedings are instituted by or against Purchaser, or if Purchaser makes an assignment for the benefit of creditors, Purchaser will be deemed in default, and Seller will have the right to terminate its obligations by written notice to Purchaser, but such termination will not affect Purchaser's obligation to pay for items delivered and work in progress.
- 6 No goods may be returned without prior written approval of Seller. Orders placed with and accepted by Seller may not be canceled by Purchaser except upon (a) Seller's written consent prior to shipment and (b) Purchaser's acceptance of Seller's cancellation charges, 30% of total project price if order is in production phase, which shall protect Seller against all costs and losses. Seller reserves the right to cancel any sale (and related services) hereunder without liability to Purchaser (except for refund of monies already paid), if the manufacture or sale of the goods or provision of services is or becomes technically or economically impractical.
- 7 Purchaser is exclusively responsible for the installation of the any and all equipment specified in the Agreement and is also responsible for installing it pursuant to Seller's installation instructions. Accordingly, Purchaser shall be responsible for coordinating facility preparation, including the retention of subcontractors if necessary and may include, but is not limited to, electrical and fuel hookup, crane for off-loading and placement of equipment, stack installation and connection.
- 8 Governing Law: This Agreement shall be governed by the laws of Pennsylvania, excluding the choice of law provisions thereof. Any litigation shall be brought in Allegheny County in the State of Pennsylvania for all issues relating to sale. All disputes arising out of this order shall be resolved by arbitration in accordance with the Commercial Arbitration Rules (as amended and effective on the date of the Demand, the "Arbitration Rules") of the AAA. The hearing and all other proceedings and documents in such arbitration shall be conducted in the English language in Pittsburgh, Pennsylvania. The arbitrator(s) shall, with reasonable diligence, render a final decision with respect to the Dispute as disclosed in the Demand and the answering statement, if any, filed by the other party. The decision shall be rendered within 90 days after the commencement of the hearing, unless the arbitrator(s) find it necessary to extend this period to hear the dispute or reasonably render a decision. Until the award is issued, performance under this order shall continue in the manner and form existing prior to the dispute but subject to adjustment as a result of the award. The provisions of this Section 8 shall be a complete defense to any suit, action or proceeding instituted in any federal, state or local court or before any administrative tribunal with respect to any Dispute arising with regard to this order. In connection with enforcing any arbitration award entered pursuant to this Section 8, or any other action related to this order, Seller hereby consents and submits to jurisdiction of the state and Federal courts seated in Allegheny County, Pennsylvania any action at law, suit in equity or other proceeding that may arise out of this order. Seller also agrees during the periods of performance and warranty to maintain within the Commonwealth of Pennsylvania an agent to accept service of legal process on its behalf. Seller will require such agent to acknowledge such appointment in writing to Purchaser, and such agent will agree in writing to Purchaser that such appointment may not lapse or otherwise terminate without prior written notice to Purchaser at least 180 days prior to such lapse or termination.

**Title and Damage of Shipment**

- 9 All goods sold hereunder are warranted, when paid for and properly installed. A claim should be immediately filed with the carrier when damages are identified upon delivery. A full report of the damage should be forwarded to Seller so that Seller can arrange for repair or replacement.
- 10 To the extent applicable, title to items contemplated in the Agreement and not subject to leasing terms under the agreement, passes upon tender of delivery by carrier to Purchaser, and if items are damaged, Seller must receive Purchaser's claim for loss or damage in transit within ten (10) days after receipt of shipment, which must be signed by the carrier.

**Warranty for Goods and Services**

- 11 Seller cremators and collateral equipment sold are warranted free from defects in workmanship and/or materials, under normal use and service, for one (1) year from date of shipment. Seller's obligation under this warranty is limited to the repair or replacement of any parts or part, F.O.B. Apopka, Florida, which may prove defective under normal use and service within one (1) year from date of shipment, and which is found by our inspection to be thus defective. This warranty shall not apply to any cremator and collateral equipment which has been repaired or altered outside our factory in any way so as, in our judgment, to affect its performance, safety, stability and reliability. No other express warranty is given. Written notice of defect must be received by Seller within warranty period. At Purchaser's request, Seller will make reasonable efforts to provide warranty service at the Project premises. If a fault has been caused by improper installation (other than by Seller or third parties under contract to Seller), maintenance or use, or by abnormal conditions of operation, repairs will be billed at normal rates.

If any fault develops, the following steps should be taken:

- A Notify Seller by giving the item model number, serial number and details of the difficulty. On receipt of this information, Purchaser will be given service data or
- B On receipt of shipping instructions, forward the item prepaid. If the item or the fault is not covered by warranty, an estimate of charges will be furnished before work begins.

- 12 Seller warranties, including, without limitation, warranties with respect to the design, materials, workmanship, merchantability, fitness for purpose and performance of its products, shall be limited exclusively to those specifically expressed in writing from time to time by Seller. EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY OPERATION OF LAW OR OTHERWISE, CONTAINED OR DERIVED HEREFROM OR IN ANY OTHER MATERIALS, BROCHURES, PRESENTATIONS OR OTHER DOCUMENTS OR COMMUNICATION WHETHER ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**Confidential Information; Patent Indemnity**

- 13 Any drawings submitted herewith are to show only the general style, arrangement, and approximate dimensions of the goods offered. No work is to be based on drawings unless the drawings are certified.
- 14 Purchaser agrees that all drawings, prints and other technical material which Seller provides to Purchaser, whether prepared by Seller or by third parties under contract to Seller, contain data which embody trade secrets and confidential know-how of commercial value to Seller or third parties under contract to Seller. Purchaser agrees (a) to keep such information confidential; (b) that it will not disclose such information to any other person, corporate division or entity; (c) that it will not use such information except in connection with the goods supplied hereunder; and (d) that it will not sell, lease, loan or permit any other person, corporate division or entity to use such information for any purpose, without Seller's prior written consent. Nothing herein shall restrict the use of information available to the general public.
- 15 Seller has the right to defend or, at its option, to settle, and Seller agrees, at its own expense, to defend or settle, any claims, suit or proceedings brought again Purchaser based on a claim of infringement of any United States patent by any item supplied to Purchaser under the Agreement.

**Limitation of Damages**

- 16 IN NO EVENT SHALL SELLER BE LIABLE, IN CONTRACT, TORT, STRICT LIABILITY, LAWS RELATING TO THE PROTECTION OF THE ENVIRONMENT, OR UNDER ANY OTHER LEGAL THEORY, FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, REGARDLESS OF WHETHER SELLER WAS INFORMED ABOUT THE POSSIBILITY OF SUCH DAMAGES, AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED AN AMOUNT EQUAL TO THE SALES PRICE OF THE GOODS AND/OR SERVICES CONTEMPLATED IN THE AGREEMENT AND SOLD TO PURCHASER THEREUNDER.

**Project Provisions**

- 17 Under limited circumstances, Purchaser may timely change orders in the work contemplated by the Agreement consisting of additions, deletions or modifications. However, such changes in the work shall be authorized by written change orders signed by Purchaser and approved in writing by Seller (each, a "Change Order"). If Purchaser elects to make any such changes pursuant to a Change Order, the project price and the date of completion of the desired work shall be adjusted accordingly by Seller.
- 18 Purchaser acknowledges that any additional requirements including, but not limited to: environmental testing, field evaluations by independent testing laboratories and/or any modifications to obtain or keep any permits in effect are the responsibility of the purchaser.
- 19 Purchaser shall secure and pay for all building permits, and other permits or licenses necessary for proper execution and completion of the work contemplated under the Agreement.
- 20 Purchaser and Seller acknowledge that time is of the essence hereunder and that the price quoted in the Agreement is based upon the project being as described in the Agreement. If Purchaser, or any party under Purchaser's control, interferes with or delays performance of the work contemplated by the Agreement (whether intentionally or otherwise), Seller shall (a) extend the date for completion of the work to account for the delay caused by such interference and (b) adjust the project price to reflect any cost or expenses incurred by Seller on account of such interference.
- 21 Seller is acting as an independent contractor hereunder and does not undertake in any way to perform any obligation of Purchaser or to assume any liability for Purchaser's business or operations. In addition, the Terms and Conditions specified herein relate solely to the rights and obligations of the Parties with respect to the purposes of the Agreement as set forth therein and shall not extend to any other activities, transactions, relationships, contracts or work, or be deemed to create a general partnership, joint venture, agency or employment relationship among the Parties of any kind whatsoever.
- 22 Indemnification: Purchaser agrees to release, indemnify and hold harmless Seller against any and all losses, damages, claims, liabilities, penalties, expenses (including costs and attorney's fees) directly or indirectly based upon or arising out of any negligent act, omission or the willful misconduct of Purchaser under the Agreement. Purchaser acknowledges that the provisions of this Section and Purchaser's obligations hereunder shall survive the termination of the Agreement.
- 23 Notice: Any notice required to be given pursuant to the Agreement and/or the Terms and Conditions set forth herein shall be in writing and mailed by certified or registered mail, return receipt requested, or delivered by a national overnight express service to the following Seller address:  
  
  - To Seller:
  - Matthews International - Environmental Solutions Division
  - 2045 Sprint Boulevard
  - Apopka, Florida 32703
- 24 Waiver. No waiver by either party of any default shall be deemed as a waiver of any prior or subsequent default of the same or other provisions of this agreement.
- 25 Severability. If any provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other provision and such invalid provision shall be deemed to be severed from the Agreement.
- 26 Entire Agreement. The Terms and Conditions of Sale, in conjunction with the Agreement, constitute the entire understanding of the parties relating to the purchase, installation and operation of the products and/or services and revokes and supersedes all prior agreements between the parties relating to the purchase, installation and operation of the products and/or services and is intended as a final expression of their agreement. The Terms and Conditions of Sales shall not be modified or amended except in writing signed by the parties hereto and specifically referring to the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date indicated below.

Seller: Matthews Environmental Solutions

Purchaser: Leatherstocking Crematory Inc.

Signed:   
Ron Salvatore

Signed: \_\_\_\_\_

Dated: October 14, 2019

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

# Exhibit 12

Schedule 12	Summary of nearby crematories
Name	Leatherstocking Crematory
County	Otsego
Cemetery #	39-050
Application Type	Major Reno - Replace retort
W/p summarizes five crematories believed to be closest to 39050	
Four of the five crematories show steady increases in the # of cremations performed	
Five of the five crematories are approximately 1-1.25 hours away per review of internet driving directions	
Three of the five are not standalone crematories	
Note: 11/12/19 phone conversation with Nicole Fox indicated 151 cremations were performed thru 11/12/19 resulting in an estimated 175 annual 2019 cremations - suggesting 2018 drop may not be a trend	

Analysis of five nearby crematories					Cremations performed			
Crematory #	Crematory name	Stand alone	Approx Miles to 39050	Approx. time (HRS)	2018	2017	2016	Three yr avg
13048	Walton	N	60	1.5	155	126	-	94
27037	Chenango Valley Crematory	Y	60	1.25	1,709	1,592	1,782	1,694
39052	Hillington	Y	50	1	445	435	532	471
47009	Park View	N	50	1	1,550	1,471	1,271	1,431
47011	Vale	N	50	1	2,071	1,925	1,700	1,899
Five proximal totals					<b>5,930</b>	<b>5,549</b>	<b>5,285</b>	<b>5,588</b>
39050	Leatherstocking	Y	0	0	140	173	164	159

4 Associate Drive  
Oncont, New York 13820  
Phone: (607) 432-8700  
Fax: (607) 432-5122  
www.mmscpas.com



**MOSTERT, MANZANERO & SCOTT, LLP**  
*Certified Public Accountants*

Deborah L. Mostert, CPA  
Anthony T. Manzanero, CPA  
Mary E. Manzanero, CPA  
David E. Brownell, CPA

December 4, 2019

Leatherstocking Crematory, Inc.  
Attn: Darlene  
22 Church Street  
Cherry Valley, NY 13320

Dear Darlene:

Per our conversation of earlier today, this letter confirms your request for us to perform an audit of Leatherstocking Crematory, Inc. for the year ending December 31, 2019. The next step will be for us to send you an engagement letter that will need to be signed and returned to our office.

Thank you for contacting us and entrusting us perform your audit.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mary E. Manzanero', with a long horizontal flourish extending to the right.

Mary E. Manzanero, CPA  
Partner

## Hickey, Andrew (DOS)

---

**From:** Leatherstocking Crematory Inc. <cvtlcinc@gmail.com>  
**Sent:** Wednesday, February 05, 2020 2:46 PM  
**To:** Hickey, Andrew (DOS)  
**Subject:** RE: 39050 Leatherstocking

*ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders or unexpected emails.*

As per your request here are the following:

We are looking into the w-2s as soon as our accountant is back in New York State from vacation. We have agreed as a set salary for Hilary Lusk and Nicole Fox and will be taking place hopefully by April 1, 2020.

Here are the 2 new Board Memembers:

Robert Taber----Current Member of the Middlefield Cemetery Board  
1820 State Highway 166  
Cooperstown, N.Y. 13326  
Phone: 607-547-9007  
Email: rltabor@Hotmail.com

Lyman Johnson  
P.O. Box 311  
Cherry Valley, N.Y. 13320  
Phone: 607-264-3703  
No Email

After conversing with Deborah Mostert CPA we are meeting on February 18 to go over everything and she will have the audit complete by April 30. That is for the years of 2018 and 2019.

Anything else please lets us know. Thanks

Sincerley,  
Nicole Fox

Sent from my Verizon, Samsung Galaxy smartphone

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

**From:** "Hickey, Andrew (DOS)" <[Andrew.Hickey@dos.ny.gov](mailto:Andrew.Hickey@dos.ny.gov)>  
**Date:** 2/5/20 10:47 AM (GMT-05:00)  
**To:** cvtlcinc <[cvtlcinc@gmail.com](mailto:cvtlcinc@gmail.com)>  
**Subject:** RE: 39050 Leatherstocking

Hello Nicole,

# Exhibit 13

4 Associate Drive  
Onconta, New York 13820  
Phone: (607) 432-8700  
Fax: (607) 432-5122  
www.mmscpas.com



**MOSTERT, MANZANERO & SCOTT, LLP**  
*Certified Public Accountants*

Deborah L. Mostert, CPA  
Anthony T. Manzanero, CPA  
Mary E. Manzanero, CPA  
David E. Brownell, CPA

December 4, 2019

Leatherstocking Crematory, Inc.  
Attn: Darlene  
22 Church Street  
Cherry Valley, NY 13320

Dear Darlene:

Per our conversation of earlier today, this letter confirms your request for us to perform an audit of Leatherstocking Crematory, Inc. for the year ending December 31, 2019. The next step will be for us to send you an engagement letter that will need to be signed and returned to our office.

Thank you for contacting us and entrusting us perform your audit.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mary E. Manzanero', with a long horizontal flourish extending to the right.

Mary E. Manzanero, CPA  
Partner

# Exhibit 14

## Hickey, Andrew (DOS)

---

**From:** Leatherstocking Crematory Inc. <cvtlcinc@gmail.com>  
**Sent:** Wednesday, February 05, 2020 2:46 PM  
**To:** Hickey, Andrew (DOS)  
**Subject:** RE: 39050 Leatherstocking

*ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders or unexpected emails.*

As per your request here are the following:

We are looking into the w-2s as soon as our accountant is back in New York State from vacation. We have agreed as a set salary for Hilary Lusk and Nicole Fox and will be taking place hopefully by April 1, 2020.

Here are the 2 new Board Memembers:

Robert Taber----Current Member of the Middlefield Cemetery Board  
1820 State Highway 166  
Cooperstown, N.Y. 13326  
Phone: 607-547-9007  
Email: rltabor@Hotmail.com

Lyman Johnson  
P.O. Box 311  
Cherry Valley, N.Y. 13320  
Phone: 607-264-3703  
No Email

After conversing with Deborah Mostert CPA we are meeting on February 18 to go over everything and she will have the audit complete by April 30. That is for the years of 2018 and 2019.

Anything else please lets us know. Thanks

Sincerley,  
Nicole Fox

Sent from my Verizon, Samsung Galaxy smartphone

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

**From:** "Hickey, Andrew (DOS)" <[Andrew.Hickey@dos.ny.gov](mailto:Andrew.Hickey@dos.ny.gov)>  
**Date:** 2/5/20 10:47 AM (GMT-05:00)  
**To:** cvtlcinc <[cvtlcinc@gmail.com](mailto:cvtlcinc@gmail.com)>  
**Subject:** RE: 39050 Leatherstocking

Hello Nicole,

# Exhibit 15



January 16, 2020

RE: Leatherstocking Crematory Inc.

To whom it may concern,

The interest rate on a Business fixed term loan from NBT Bank is 5.75% for a term of 84 months. This rate is subject to change.

Thank you,

A handwritten signature in cursive script that reads "Christine Erway". The signature is written in black ink and is positioned above the printed name.

Christine Erway

Branch Manager

Cherry Valley Office

607-264-8411

# Exhibit 16

The Leatherstocking Crematory, Inc. has been unable to have an in person directors meeting with the new members. We have however had several over phone discussions in regards to business matters. Among those discussions have been the topic of payment of the new Cremator, all have agreed that we can place up to \$100,000.00 down on the new Cremator as we have already placed a 10% down payment and the loan amount will be for the balanceiknnnnn. Furthermore all is in agreement of the new pay of workers. Furthermore due to the COVID-19 pandemic we have sent all directors copies of the lease agreement of the building with Michael Fox and have all signed individual ones given the inability to have a formal board meeting vote. Once we are able to we will have a traditional board meeting were we will address the cremation fee rate as well.

Meeting of The Leatherstocking Crematory Inc. took place January 18, 2020

Old business

Previous minutes were read for information

Still working on either getting a new machine or repairing the current one. At this point with new regulations and the fact we have a lower weight limit all favor the new machine.

New business

Motion to change Nicole Fox and Hilary Lusk be paid by flat rate bimonthly with agreed amount comparable to previous years.

Nicole Fox \$600. biweekly and Hilary Lusk \$250.00 biweekly for the year 2020

Should a substitute be required to work ,payment of \$20/hour will be paid

In looking to expand the board two new board members will be added

Motion by Michael Fox Jr that Lyman Johnson of Cherry Valley be considered, all approved

Motion by Nicole Fox that Robert Tabor of Middlefield be considered (he is on a traditional cemetery board), all approved

Renters agreement was viewed and approved, no price change from last year (will be viewed again with new board members)

Insurance purchased to cover liability, legal fees and equipment (Gates Cole Agent)

keypad lock has been installed on door for more private security

cameras have been installed for more security limit

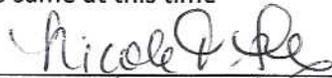
Crematory debit cards have been acquired (Nicole Fox and Darlene Fox approved by NBT bank)

\$5 per body will continue to be put into the repair account at the end of the year

Directors reimbursement will remain \$200.00 for the 2020 year (no change)

Current positions will remain the same at this time

President Nicole Fox



Vice President Michael Fox



Secretary Hilary Fox Lusk

Hilary Lusk

Treasurer Darlene Fox

Darlene Fox

Director Michael Fox Jr

Michael Fox Jr

Director Craig Stevens

Craig Stevens

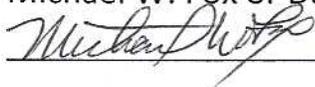
January, 2020

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. This includes entire building (only building and no equipment) housing The Leatherstocking Crematory Inc. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc. These cost will be agreed upon by both parties.

The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)

  
\_\_\_\_\_

The Leatherstocking Crematory Inc. Director

  
\_\_\_\_\_

The agreed rent for 2020 is \$1200.00 a month rent and includes snow removal/electricity/etc.

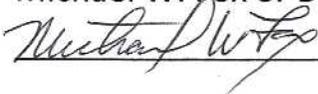
January, 2020

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. This includes entire building (only building and no equipment) housing The Leatherstocking Crematory Inc. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc.. These cost will be agreed upon by both parties.

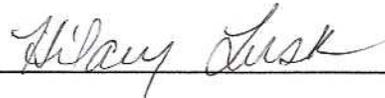
The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)

\_\_\_\_\_

The Leatherstocking Crematory Inc. Director

\_\_\_\_\_

The agreed rent for 2020 is \$1200.00 a month rent and includes snow removal/electricity/etc.

January, 2020

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. This includes entire building (only building and no equipment) housing The Leatherstocking Crematory Inc. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc. These cost will be agreed upon by both parties.

The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

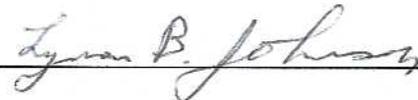
Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)



---

The Leatherstocking Crematory Inc. Director



---

The agreed rent for 2020 is \$1200.00 a month rent and includes snow removal/electricity/etc.

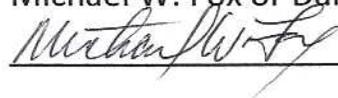
January, 2020

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. This includes entire building (only building and no equipment) housing The Leatherstocking Crematory Inc. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc.. These cost will be agreed upon by both parties.

The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)

  
\_\_\_\_\_

The Leatherstocking Crematory Inc. Director

  
\_\_\_\_\_

The agreed rent for 2020 is \$1200.00 a month rent and includes snow removal/electricity/etc.

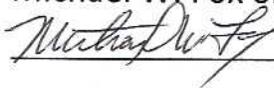
January, 2020

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. This includes entire building (only building and no equipment) housing The Leatherstocking Crematory Inc. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc.. These cost will be agreed upon by both parties.

The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

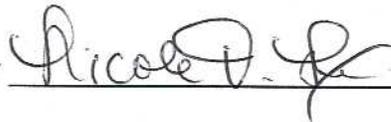
Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)



---

The Leatherstocking Crematory Inc. Director



---

The agreed rent for 2020 is \$1200.00 a month rent and includes snow removal/electricity/etc.

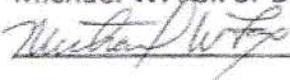
January, 2020

All contracts dating back to the founding of the Leatherstocking Crematory Inc. and Michael W. Fox or Darlene A. Fox (or building owners) are still in effect. The Leatherstocking Crematory Inc. retains the right to rent current location (same location since 1987) for eternity plus a day, unless they opt not to do so. This includes entire building (only building and no equipment) housing The Leatherstocking Crematory Inc. Michael W. Fox or Darlene A. Fox (or building owners) has the right to charge reasonable expenses from the Leatherstocking Crematory Inc. including but not limited to: rent, utilities, etc.. These cost will be agreed upon by both parties.

The building itself will be maintained by Michael W. Fox (or building owner) and repairs or cost of the equipment and cremation related expenses will be that of the Leatherstocking Crematory Inc. Unless other arrangements are made. This contract is binding .

Agreement between ;

Michael W. Fox or Darlene A. Fox (or building owners)



The Leatherstocking Crematory Inc. Director



The agreed rent for 2020 is \$1200.00 a month rent and includes snow removal/electricity/etc.