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REVOLVING LOAN FUND LOAN ADMINISTRATIVE COMMITTEE

Special Meeting

February 14, 2022 10:00 am

LCLGRP Office in Lake George, NY and Zoom

AGENDA

1. Welcome
 2. Loan Application
 - 10:00 am: Lake Motel
 3. Scarlotta's Car Hop
 4. Other
 5. Adjourn
-

Ms. Gilles welcomed everyone to the loan committee meeting on February 14, 2022 at 10:01 am.

MEMBERS PRESENT

Juan Gonzales
Christy Wilt
Chris Hay
Marc Monahan
Paul Hamilton

MEMBERS ABSENT

Carol Calabrese
Chad Richards

ALSO PRESENT

Beth Gilles, LCLGRP
Heather Devitt, MVEDD
Dave O'Brien

LOAN APPLICATION

- Lake Motel





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Ms. Devitt reviewed the Lake Motel loan package that was emailed to the committee. This is a loan request under the COVID-19 Small Business Recovery Loan Fund. The business is located in Lake George, Warren County. This is a \$150,000 loan request to renovate bathrooms to make them easier to clean and upgrade their dryers for better cleaning capacity. Mr. Hay commented about lending to the operating LLC but the guarantee is from the real estate LLC and the two individuals that own more than 20% of the businesses.

Ms. Gilles welcomed Steve and Tom Puricelli into the meeting and asked them to give the Committee a brief overview of their plans.

Mr. Puricelli discussed the bathroom renovations. They have 22 old, moldy bathrooms. They are doing away with tile and grout and the press-board vanities which have a tendency to hold bacteria and are hard to clean. They are using man-made panels without individual grout lines. They are doing floating vanities with quartz tops. They are replacing the tubs with showers to eliminate caulking and water damage. There are no windows in the bathrooms, so they are installing ventilation.

Mr. Monahan asked Mr. Puricelli if he anticipates return customers for the next few years. Mr. Puricelli answered yes. Mr. Monahan asked about existing debt on the properties. Mr. Puricelli mentioned the primary mortgage with the bank. They also mentioned that both rounds of PPP loans have been formally forgiven. They did not get an EIDL loan.

Both Mr. Puricelli's exited the meeting. Mr. Hay mentioned that the numbers are solid and there is decent equity in the property. The Committee agreed on a second mortgage as collateral and Mr. Monahan suggested that Ms. Gilles check with the bank to ensure they are agreeable to the borrowers taking on additional debt on the property. Ms. Gilles stated she will talk to Glens Falls National Bank. Mr. Monahan also suggested that the operating LLC and real estate LLC be co-borrowers.

Ms. Gilles asked for a motion to approve \$150,000 fixed asset loan to Crocelli Properties, LLC and Lakes Edge LG, LLC under the COVID-19 Small Business Recovery Program RLF at 0% for the first 12-months and 1.9% for the remaining term, term of 10 years, collateral is a second mortgage on 380 Canada Street, Lake George, NY, personal guarantees from Vincent Crocitto and Stephen Puricelli.

Motion by Mr. Monahan.

Seconded by Mr. Hay.

Hearing no further discussion or any opposed, motion carries.

SCARLOTTA's CARHOP

Ms. Gilles noted she spoke with Laura Barlow. The Barlow's had not considered the need to cover closing costs and are interested in an additional \$25,000, making their request \$175,000. The Committee discussed collateral and terms.





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Ms. Gilles asked for a motion to approve a \$175,000 real estate and working capital loan to Scarlotta's Carhop under the Small Business Loan Fund at 5% for 15 years, six-months interest-only, collateral is a co-equal first on 45 Quaker Street Granville, NY, co-equal first on 3936 VT Rte 153, West Pawlet, VT and a blanket lien on business assets; personal guarantees from Wes Barlow and Laura Barlow.

Motion by Mr. Hay.

Seconded by Mr. Gonzales.

Hearing no further discussion and no opposed, motion carries.

With no further discussion, meeting adjourned at 10:20 am.

Respectfully submitted by Beth Gilles, Director, LCLGRPB.

