



WARREN COUNTY LDC RESOLUTION No. 20240503

Approval of a Loan Modification for LuMaZu LLC (dba Nettle Meadow Farm & Artisan Cheese)

Introduced by: G. Merlino

Seconded by: M. Smith

WHEREAS a motion is made to approve a loan modification for the LuMazu LLC loan originally issued 01/10/2018.

WHEREAS extenuating circumstances affect the ability for LuMaZu LLC to maintain its original planned cash flow.

WHEREAS this loan modification:

Nullifies the previously granted 90-day pause in payments.

Grants up to \$150,000 disbursed as per the contingencies laid out in the approved loan term sheet, incorporated herein.

Grants interest only payment during the period of disbursement.

Following the interest only period, increases the monthly payment of principal and interest due to \$4,500.

WHEREAS this loan modification states the entire principal balance being due and payable on or before September 1 2028, extending the original maturity date from September 1, 2025.

NOW THEREFORE BE IT RESOLVED, that the WCLDC Board has approved the loan modification for LuMaZu LLC .Members of the Board of Directors voting in the affirmative:

Michael Wild	Yes
Nathan Etu	Yes
Robert Landry	No
Gene Merlino	Yes

Mark Smith	Yes
David Strainer	Yes
Nancy Turner	Yes

I, Robert Landry Secretary of the Warren County Local Development Corp, (WCLDC) hereby certify that this resolution was duly adopted by the Board of Directors of said Corporation, at a meeting of said Board duly called and held on the 3rd day of May 2024, at which a quorum of said Board was present, and that the same is true and correct transcript of said resolution, entered in the regular book of minutes of proceedings of WCLDC.

In witness where, I have hereunto set my hand on the 3rd day of May 2024.


Robert Landry – Secretary Warren County LDC

Warren County Local Development Corporation (WCLDC)

Term Loan Offer Sheet

Dated: May 9th, 2024

To: Lumazu LLC

Loan Amount

and Repayment Terms: \$150,000.00 payable no later than September 1st, 2028, amortized over 4 years

Interest Rate: 4.0% per annum for term of the loan.

Repayment period:

Interest only payments on amount advanced shall be paid on a monthly basis with a 10 day grace period from the due date. Failure to pay any monthly interest payment after the 10 day grace period will result in a late payment fee of \$25.00. Upon full advancement of the loan, payments of principal and interest shall be made monthly through and including September 1st, 2028 and amortized over 4 years. Failure to pay any monthly payment after the 10 day grace period will result in a late payment fee of \$25.00. All payments shall be made payable to the "Warren County Local Development Corporation" at 11 South Street, Suite 201, Glens Falls, NY 12801. The entire amount may be called for and deemed due and payable upon default of any of the loan terms, including, but not limited to failure to make the required loan payments, the cessation of operation of the business known as "Nettle Meadow" or "The Hitching Post Tavern at Nettle Meadow", transfer of ownership interest in Lumazu LLC or any or all assets of Lumazu LLC, and any other default as set forth in the loan documents.

There shall be no penalty for prepayment.

Purpose: Proceeds will be exclusively used for expenditures as presented by Lumazu LLC to WCLDC and approved by WCLDC in connection with the operation of "Nettle Meadow" or "The Hitching Post Tavern at Nettle Meadow". WCLDC reserves the right to advance the loan amount in \$50,000.00 increments at its sole discretion.

Application Fee: None.

Collateral:

- Mortgage against the property known as 484 and 486 South Johnsbury Road, Town of Thurman, County of Warren and 1256 Lake Avenue, Town of Lake Luzerne
- Security Agreement and UCC-1 giving a lien on the machinery, furniture, fixtures, equipment, and receivables now or hereinafter acquired by Lumazu LLC and which may be located at the property known as 484 and 486 South Johnsbury Road, Town of Thurman, County of Warren and 1256 Lake Avenue, Lake Luzerne, New York 12846.
- Guaranty of Sheila Flanagan and Lorraine Lambiase

Closing Contingencies:

The following Closing Contingencies shall be met prior to the advance of any funds by the WCLDC:

- a. Proposed use of funds, in writing, which shall include, but not be limited to, (i) payee, (ii) purpose, (iii) amount due, (iv) copy of invoice or other evidence of payment liability.
- b. List of all outstanding liabilities, inclusive of creditor information and total amount outstanding. When available, payoff letters for said amounts shall be provided. This list shall include, but not be limited to the following liabilities of record: (i) 1256 Lake Avenue LLC, (ii) Farm Credit ACA, (iii) American Express National Bank, (iv) US SBA (UCC lien), (v) Marlin Business Bank (UCC lien), (vi) Mercedes Benz Financial Services (UCC lien), (vii) North Star Leasing (UCC Lien).
- c. Financial Statements and records, including Profits & Loss, Balance Sheet, Income Statement for 2023 and through March 31, 2024 as prepared by an independent third party bookkeeper or accountant. Said information shall be provided within 30 days of the end of each quarter for the loan term.
- d. Evidence of progress in submitting outstanding items and deliverables required to secure monies from the \$120,000 awarded by the NYS Empire State Development Consolidated under a contract executed October 22, 2020 (CFA Number 91500; Round 9).
- e. Updated letter of intent or contract with any prospective buyer of the business interest or its assets or such other written confirmation from prospective buyer of continued relationship with Borrower and ongoing marketing efforts.
- f. Provide a tentative business plan along with a draft budget which provides a viable plan for continued operations for not less than a twelve (12) month period including a specific plan to resolve current third-party financial obligations, (ii) consult with the Warren County Economic Development Corporation to identify and retain, at Borrower's sole discretion and expense, either (i) a business or financial advisor, or (ii) a full time employee experienced in managing operations usual and customary to that of the Borrower.

Hazard Insurance: Borrower shall maintain a hazard insurance policy on the property located at 484 and 486 South Johnsburg Road, Thurman, New York 12885 and 1256 Lake Avenue, Lake Luzerne, New York 12846 and all assets secured by the WCLDC in connection with this loan in sufficient amounts to insure replacement, with WCLDC named lien holder and loss payee. Any such policies shall include a 30-day notice of cancellation clause. Certificates evidencing said insurance must be provided to WCLDC on or prior to closing.

Flood insurance, or evidence that it is not necessary under the Flood Disaster Act of 1973, must be provided.

Borrower's Authorization. The Borrower shall provide documents evidencing the necessary authorization of, and capacity for, the actions to be taken by the Borrower in connection with this loan. The Borrower shall provide any and all organization documents, minutes, resolutions, certificates, consents and other materials as may be required by the WCLDC.

An opinion of Borrower's counsel, in a form satisfactory to the WCLDC, shall be provided at closing, if applicable

Upon acceptance and signing of this Term Loan Offer Sheet and meeting the conditions noted herein; the promissory note, loan agreement, security agreement, UCC statements and all other documents will be prepared by the WCLDC together with compliance by Borrower in advance of the closing or at the closing

date of all contingencies/requirements described within this document, a closing will occur and loan proceeds disbursed.

All costs and expenses associated with and incidental to the closing of this loan, including, but not limited to, attorney's fees, filing fees, insurance shall be the responsibility of the Borrower, regardless of whether or not this loan is closed.

The Borrower agrees to keep the WCLDC fully informed about all matters, financials and otherwise, that may affect the interest of the WCLDC. This commitment is subject to no materials adverse changes in the financial condition of the Borrower or Guarantor prior to closing.

This offer is valid until _____, 2024. Failure to approve and return this Term Loan Offer Sheet to the WCLDC at 11 South Street, Suite 201, Glens Falls, NY 12801 by _____, 2024 shall result in the termination of this offer by the WCLDC.

Approved and Acceptance of Term Loan Offer Sheet by:

Lumazu LLC

By: Sheila Flanagan, Member
Date: _____

By: Lorraine Lambiase, Member
Date: _____