



AGENDA

May 16, 2024 – 8:30 am
111 Washington Ave, Suite 100
Albany, NY 12210
Conference Room

1. Welcome Jeffrey Stone, Chair
 - a. Susan Pedo, new board member
2. Roll Call for Record Jeffrey Stone, Chair
3. Meeting Minutes of March 21, 2024 Jeffrey Stone, Chair
4. Committee Reports:
 - a. Finance Committee Allen Maikels, Chair
 - i. April Narrative & Financials
 - ii. Alliance Voucher for Q1 2024
5. CFO Report Amy Thompson, CFO
6. CEO Report Kevin O'Connor, CEO
7. Other business:
 - a. Action item: Resolution Kevin Catalano, AACA
 - i. Loan Request: Fallon Wellness Pharmacy
 - b. Action item: Resolution
 - i. Loan Modification: 219 Warehouse Grill
8. Open Discussion All Board Members
9. Executive Session (if necessary) Jeffrey Stone, Chair
10. Adjournment Jeffrey Stone, Chair



Roll Call

May 16, 2024 – 8:30 a.m.

111 Washington Ave, Suite 100, Albany, NY 12210 - Conference Room

Board Member	Present / Excused / Absent
Jeffrey Stone, Chairman	
Alan Alexander, Treasurer	
Diana Ostroff, Secretary	
Allen Maikels, Member	
Marcus Pryor, Member	
Daniel Scarring, Member	
Susan Pedo, Member	
Caitlin O'Brien (Ex-Officio – J. Cunningham)	
Lucas Rogers (Ex-Officio – M. McLaughlin)	



**Board of Directors Meeting Minutes
March 21, 2024**

DIRECTORS PRESENT	Sean Ward, Alan Alexander, Caitlin O'Brien, Marcus Pryor, Lucas Rogers, and Daniel Scarring
EXCUSED DIRECTORS	Jeffrey Stone, Diana Ostroff and Alan Maikels,
COUNSEL PRESENT	Madeline Kauffman and John Hartzell
GUEST PRESENT	Kevin Testo and Samuel Zadrozny
AACA STAFF PRESENT	Kevin O'Connor, Amy Thompson, Kevin Catalano, Rosemary McHugh, and Antionette Hedge

Mr. Ward called the meeting to order at 8:33 a.m. Mr. Ward read roll call and it was determined that there was quorum.

Mr. Ward presented the Minutes from the November 16, 2023 meeting. There are no corrections noted. Mr. Ward made a motion to approve the November 16, 2023 Meeting Minutes; Mr. Pryor seconded the motion; all those present voted in favor.

Governance Committee Report: Madeline Kauffman and John Hartzell of Nolan Heller Kauffman LLP presented updates to (a) the Code of Ethics Policy, (b) the Conflict of Interest Policy, (c) the Whistleblower Policy, (d) the Procurement Guidelines & Procurement Policy, (e) the Property Disposition Policy, (f) the Investment Policy, and (g) the Property Acquisition Policy, as well as the following additional documents for consideration by the Board (i) the Mission Statement & Performance Goals for 2024, and (ii) the Report of completion by all Board Members of required Board Member training. There were no questions from the Board.. Mr. Alexander made a motion to accept the above policies and documents. Mr. Pryor seconded the motion; all Board members in attendance voted in favor.

Audit Committee Report: Kevin Testo and Samuel Zadrozny of The Bonadio Group provided an overview of the 2023 Audit Report and the required NYS Public Authorities Reporting Information System ("PARIS") Filings. All audit procedures were completed and were unmodified and unqualified. Mr. Zadrozny reviewed the auditor's responsibilities regarding the Financial Statements. Mr. Zadrozny was able to confirm 100% of the outstanding loans.. Mr. Alexander made a motion to approve the 2023 Audit. Mr. Pryor seconded the motion; all those voting on the motion voted in favor. Mr. Pryor made a motion to approve the PARIS Filings. Mr. Alexander seconded the motion; all Board members in attendance voted in favor.

Finance Committee Report: Ms. Thompson presented the February 2024 Financial Statements.. There were no questions from the Board. Mr. Alexander made a motion to accept the February 2024 Financial Statements; Mr. Ward seconded the motion; all Board members in attendance and voting on the motion voted in favor.

Ms. Thompson presented the Fourth Quarter 2023 Advance Albany County Alliance Vouchers. There were no questions from the Board. Mr. Pryor made a motion to accept the Fourth Quarter 2023 Advance Albany County Alliance Vouchers; Mr. Alexander seconded the motion; all Board members in attendance and



voting on the motion voted in favor.

Mr. O'Connor presented the Alliance CEO Report.

The loan application of Data Network Marketing Inc, DBA The Mailworks, and a Resolution in connection therewith, was presented to the Board by Mr. Catalano. Upon due consideration of the following loan terms, a motion to approve the loan application was made by Mr. Pryor and seconded by Mr. Alexander. All Board members in attendance and voting on the motion voted in favor.

Borrower: Data Network Marketing Inc, DBA The Mailworks
Principal Amount: \$750,000.00
Interest Rate: 4%
Term: 5-year term, 10-year amortization
Guaranty: Unlimited personal guaranty of Brianne Baggetta
Collateral: First mortgage on property located at 236 Broadway, Menands, New York. The family has agreed to subordinate their \$2,500,000 mortgage to ACBDC.

The loan application of Common Rots Brewing Company – Albany Outpost, and a Resolution in connection therewith, was presented to the Board by Mr. Catalano. Upon due consideration of the following loan terms, a motion to approve the loan request was made by Mr. Pryor and seconded by Mr. Alexander. All Board members in attendance and voting on the motion voted in favor.

Borrower: Common Roots Brewing Company – Albany Outpost
Principal Balance: \$550,000.00
Interest Rate: 4%
Guaranty: Unlimited personal guaranty of Christian Weber and Herbert “Bert” Weber
Term: 5-year term, 10-year amortization
Collateral: A first lien on all equipment, a second mortgage lien on property at 280 Mill Pond Dr, Lake Placid, New York. Assignment of Life Insurance on Christian Weber in the full amount of the loan.

The loan renewal request respecting 1033 Loudon Road, LLC, and a Resolution in connection therewith, was presented to the Board by Mr. Catalano. Upon due consideration of the following loan terms, a motion to approve the loan extension and modification was made by Mr. Alexander and seconded by Mr. Pryor. All Board members in attendance and voting on the motion voted in favor.

Borrower: 1033 Loudon Road, LLC
Principal Balance: \$59,903.71
Interest Rate: 4%
Renewal Term: 60-month term and amortization.
Collateral: A second position mortgage on the property at 1033 Loudon Road, subordinate to a 1st position mortgage held by NBT Bank. 1st position UCC filing against assets of operation company Fitness Playground Group, LLC.

Mr. Catalano presented a Resolution approving the Shovel Ready Site Development Grant for Evaluation of the Port of Coeymans. The request for \$100,000.00 to evaluate an electricity infrastructure upgrade in and around the Port of Coeymans, Coeymans Industrial Park and nearby parcels in order to attract and build out the Port area for offshore wind and other industry use. Mr. Pryor made a motion to accept the Resolution; Mr. Alexander seconded the motion; all Board members in attendance and voting on the motion voted in favor.



Other Business: Mr. Catalano provided an update on possible loan prospects.

Mr. Ward made a motion to move to adjourn the meeting at 9:53 a.m., Mr. Alexander seconded the motion; all members of the Board in attendance voted in favor.

Respectfully submitted,

Diana Ostroff, Secretary

ALBANY BUSINESS DEVELOPMENT CORPORATION
Financial Statement Narrative
For the Period Ending
April 30, 2024

This report provides an overview of the P&L and Balance Sheet for Albany Business Development Corporation YTD April 2024.

In 2024 the ACBDC will continue to promote economic growth and business retention by offering financing to businesses. The businesses demonstrated strong possibilities for growth, real property improvement, increased employment, and retention of employment within the County.

Total revenue for YTD April was \$223,443 derived from bank, loan, and investment interest. We were favorable to budget by \$14,235.

The ACBDC remains committed to financial transparency and accountability. Rigorous financial controls and reporting mechanisms are in place to ensure the effective and responsible use of funds in alignment with the organization's mission and objectives. As of April the ACBDC has disbursed one loan in 2024 to Moxie Owl LLC for \$180,000 with a few more in the pipeline in the upcoming months.

The expenses YTD were \$137,713 which was favorable to budget by \$62,287 due to the Shovel Ready Site Development Fund reimbursement being significantly less than the budgeted amount. All in, the ACBDC has spent roughly \$48,755 of the \$1,000,000 pledged to the Alliance to assist with the expenses related to shovel ready sites.

Our current cash position is strong at \$10,034,304. The decision to invest \$5,000,000 in US Treasury Bills has resulted in additional investment interest earned annually. The net income for the corporation at the end of April was \$85,731.

Our loan receivable balance stands at \$9,945,422 and all loans are paid current.

There are currently no identifiable significant risks or uncertainties that would impact the ACBDC's future financial performance.

Profit & Loss

Operating Revenue –

Application fees of \$500 from Moxie Owl LLC.

Bank interest of \$52,958.

Loan interest received is in the amount of \$103,627.

Investment interest of \$66,358.

Operating Expenses–

Shovel Ready Site Development Fund expenses of \$9,207 are reimbursable items to the Alliance for Shovel Ready Site expenses paid to Tom Owens and GdB Geospatial LS.

Agency Fee expenses of \$128,506 include expenses reimbursed to the Alliance for YTD April which include payroll/benefits, professional/legal services, and miscellaneous office expenses.

Balance Sheet

Assets –

Cash balance as of April 30, 2024 is \$10,034,304 of which roughly \$5,066,000 is invested in US Treasury bills.

Loans receivable of \$9,945,422 of which all loans are currently paid up to date.

Liabilities –

Due to Alliance balance of \$137,713 includes reimbursable expenses for Jan-April 2024 for both operating expenses as well as Shovel Ready Site Development Fund expenses.

Albany County Business Development Corporation
Statement of Net Position
As of April 30, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
Restricted Cash	
10220 - M&T MM 3324 ALTECH ACBDC	3,856,196.21
10250 - M&T 4113 AI Tech Operating	1,088,102.07
10260 - US Treasury Bill - 6 months	2,566,908.90
10270 - US Treasury Bill - 12 months	2,499,265.25
Total Restricted Cash	\$ 10,010,472.43
Unrestricted Cash	
10210 - M&T ACBDC Corp Checking 4105	23,828.78
10255 - M&T 3994 CRAF Operating	3.00
Total Unrestricted Cash	\$ 23,831.78
Total Bank Accounts	\$ 10,034,304.21
Accounts Receivable	
14615 - Loans Receivable-AI Tech LT	9,945,422.26
14620 - Bad Debt Allowance	-102,594.35
15150 - Accrued Loan Interest	27,001.36
Total Accounts Receivable	\$ 9,869,829.27
Other Current Assets	
15200 - Accrued Investment Income	104,568.43
Total Fixed Assets	\$ 104,568.43
Total Current Assets	\$ 20,008,701.91
Fixed Assets	
16000 - Furniture & Fixtures	6,588.00
16999 - Accumulated Depreciation	-6,588.00
Total Fixed Assets	\$ 0.00
TOTAL ASSETS	\$ 20,008,701.91
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20051 - Due to Advance Albany Co Alliance	137,713.04
Total Accounts Payable	\$ 137,713.04
Total Liabilities	\$ 137,713.04
Net Position	
28615 - Trust Assets	15,650,961.00
30000 - Net Assets	6,176,905.00
Retained Earnings	-2,042,607.67
Net Operating Revenues	85,730.54
Total Net Position	\$ 19,870,988.87
TOTAL LIABILITIES & NET POSITION	\$ 20,008,701.91

Albany County Business Development Corporation
Statement of Revenue, Expenses and Changes in Net Position
YTD April 2024

		<u>Total</u>
Operating Revenues		
41000 - Application Fees		500.00
44000 - Bank Interest		52,958.38
44050 - Loan Interest Earned		103,627.18
44100 - Investment Interest		66,357.62
Total Operating Revenues	\$	223,443.18
Operating Expenses		
50034 -Shovel Ready Site Development Fees		9,206.68
50035 - Agency Fee		128,505.96
Total Operating Expenses	\$	137,712.64
Change in Net Position	\$	85,730.54

Albany County Business Development Corporation
Budget vs. Actuals: 2024 Budget - FY24 P&L
YTD April 2024

	Actual	Budget	Budget Variance	% of Budget
Operating Revenues				
41000 - Application Fees	500.00	875.00	-375.00	57.14%
44000 - Bank Interest	52,958.38	83,333.36	-30,374.98	63.55%
44050 - Loan Interest Earned	103,627.18	125,000.00	-21,372.82	82.90%
44100 - Investment Interest	66,357.62	0.00	66,357.62	100.00%
Total Operating Revenues	\$ 223,443.18	\$ 209,208.36	\$ 14,234.82	106.80%
Operating Expenses				
50034 -Shovel Ready Site Development Fees	9,206.68	83,333.36	-74,126.68	100.00%
50035 - Agency Fee	128,505.96	116,666.64	11,839.32	110.15%
Total Operating Expenses	\$ 137,712.64	\$ 200,000.00	-\$ 62,287.36	68.86%
Change in Net Position	\$ 85,730.54	\$ 9,208.36	\$ 76,522.18	931.01%

Advance Albany County Alliance LDC
as agent for
Albany County Business Development Corporation
Q1 2024
Voucher \$88,229.66

2024 Agency Budget	\$	350,000.00
Q1 2024 Salaries and Fringe Benefits	\$	63,463.87
Q1 2024 Professional Fees	\$	8,457.09
Q1 2024 Other Business Expenses	\$	16,308.70
Q1 2024 Rental Income	\$	(2,962.92)

Total Q1 2024 Voucher	\$	85,266.74
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Total Remaining	\$	264,733.26
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Advance Albany County Alliance LDC
as agent for
Albany County Business Development Corporation
Shovel Ready Site Development
Q1 2024
Voucher \$7,931.68

Shovel Ready Site Budget \$ 1,000,000.00

Q1 2024 Legal/Professional Fees \$ 7,931.68

Total Q1 2024 Voucher \$ 7,931.68

Q3 2023 Voucher Paid November 2023 \$ 33,400.00

Q4 2023 Voucher Paid April 2024 \$ 6,108.25

Total Remaining \$ 952,560.07

**Advance Albany County Alliance
Profit and Loss by Class
January - March, 2024**

	Shovel Ready Site Dev				
	ACBDC	General	Fund	STAGE Grant	TOTAL
Income					
ACBDC Reimbursement	85,266.74				85,266.74
CRC Management Fee		33,333.33			33,333.33
IDA Management Fee		66,666.66			66,666.66
Interest Income		5,611.42			5,611.42
Received From Albany County		800,000.00			800,000.00
Rental Income	2,962.92	8,888.76			11,851.68
Shovel Ready Site Reimbursement			7,931.68		7,931.68
Stage Grant Income				4,000,000.00	4,000,000.00
Total Income	\$ 88,229.66	\$ 914,500.17	\$ 7,931.68	\$ 4,000,000.00	\$ 5,010,661.51
Gross Profit	\$ 88,229.66	\$ 914,500.17	\$ 7,931.68	\$ 4,000,000.00	\$ 5,010,661.51
Expenses					
Legal & Professional Services					0.00
Legal Fees	2,253.35	29,352.04	7,744.18		39,349.57
Professional Fees	6,249.42	6,186.12	187.50		12,623.04
Total Legal & Professional Services	\$ 8,502.77	\$ 35,538.16	\$ 7,931.68	\$ 0.00	\$ 51,972.61
Other Business Expenses					0.00
Bank Charges & Fees	750.00	19.50			769.50
Charitable Contributions		1,000.00			1,000.00
Computer Software	2,146.26	2,387.82			4,534.08
Computer/Internet	1,676.10	2,226.10			3,902.20
Dues & Subscriptions	1,249.98	2,603.88			3,853.86
Insurance	1,200.36	1,327.65			2,528.01
Meals & Entertainment		378.52			378.52
Meeting Expense		696.50			696.50
Office Supplies	395.29	716.93			1,112.22
Parking	847.50	2,567.46			3,414.96
Payroll Fee	1,126.36	1,126.43			2,252.79
Postage		83.29			83.29
Professional Development		5,796.52			5,796.52
Rent	5,925.84	17,777.55			23,703.39
Sponsorship		10,500.00			10,500.00
Telephone		42.56			42.56
Travel Expenses		4,483.15			4,483.15
Utilities	516.00	516.00			1,032.00
Total Other Business Expenses	\$ 15,833.69	\$ 54,249.86	\$ 0.00	\$ 0.00	\$ 70,083.55
Payroll Expenses					0.00
Employee Benefits					0.00
401k ER Match	2,298.42	2,176.32			4,474.74
Health Insurance	7,721.04	7,407.78			15,128.82
Payroll Tax - FICA	3,582.01	4,879.20			8,461.21
Payroll Tax - FUTA	81.98	436.33			518.31
Payroll Tax - SUTA	949.78	1,547.29			2,497.07
Workers Comp	137.49	137.52			275.01
Total Employee Benefits	\$ 14,770.72	\$ 16,584.44	\$ 0.00	\$ 0.00	\$ 31,355.16
Salaries	49,122.48	60,175.09			109,297.57
Total Payroll Expenses	\$ 63,893.20	\$ 76,759.53	\$ 0.00	\$ 0.00	\$ 140,652.73
Total Expenses	\$ 88,229.66	\$ 166,547.55	\$ 7,931.68	\$ 0.00	\$ 262,708.89
Net Operating Income	\$ 0.00	\$ 747,952.62	\$ 0.00	\$ 4,000,000.00	\$ 4,747,952.62
Other Expenses					
Depreciation Expense		8,320.62			8,320.62
Total Other Expenses	\$ 0.00	\$ 8,320.62	\$ 0.00	\$ 0.00	\$ 8,320.62
Net Other Income	\$ 0.00	-\$ 8,320.62	\$ 0.00	\$ 0.00	-\$ 8,320.62
Net Income	\$ 0.00	\$ 739,632.00	\$ 0.00	\$ 4,000,000.00	\$ 4,739,632.00

Row Labels	Sum of Amount
ACBDC	
ABM Parking Services	600.00
Adobe	621.82
ADP	1,522.61
Aurora Ins	269.28
Beazley Ins	514.24
Boardable	503.84
Bonadio & Co, LLP	5,800.00
CDPHP	9,822.72
CEG	1,249.98
Commercial Investigations, LLC	403.74
Downhome	621.00
Dropbox	108.00
Fusco Personnel	45.68
Hanover	49.10
Intelligent Technology Solutions, Inc	1,126.10
Intuit	291.60
Iron Mountain	65.26
Naomi Stryker	97.50
Nolan Heller Kauffman LLP	2,253.35
Parking	150.00
Payroll	53,641.15
Philadelphia Ins	367.74
Rent	5,925.84
Spectrum	550.00
Travelers	33.08
Utilities	516.00
W.B. Mason	330.03
Wilmington Trust	750.00
Grand Total	88,229.66

Vendor	Sum of Amount
Shovel Ready Site Development Fund	
GdB Geospatial LS, P.C.	187.50
Thomas M Owens, Esq	6,424.18
Young Sommer LLC	1,320.00
Grand Total	7,931.68

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION
BOARD OF DIRECTORS**

RESOLUTION

APPROVING FALLON WELLNESS PHARMACY, LLC LOAN APPLICATION

WHEREAS, Albany County Business Development Corporation (“ACBDC”) administers a revolving business loan fund for the purpose of creating and retaining jobs in Albany County; and

WHEREAS, the staff of the Advance Albany County Alliance Local Development Corporation (the “**Alliance**”), as agents of ACBDC, has reviewed and recommended approval of a loan application from Fallon Wellness Pharmacy, LLC to purchase a premises in Latham, New York into which to relocate its business (the “**Loan Application**”); and

WHEREAS, the material terms of the ACBDC loan recommended to be provided on the basis of the Loan Application (the “**Loan**”) would be as follows:

<u>Borrower:</u>	Fallon Wellness Pharmacy, LLC, and/or a newly formed real estate holding company
<u>Principal Amount:</u>	\$300,000.00
<u>Interest Rate:</u>	4%
<u>Term:</u>	5-year term, 20-year amortization
<u>Guaranty:</u>	Unlimited personal guaranty of Erika Fallon (and operating company if a real estate holding company is formed).
<u>Collateral:</u>	Second mortgage on commercial real estate located at 303 Troy -Schenectady Road, Latham, subordinate to a mortgage loan from NBT Bank, NA in the amount not greater than \$1,050,828; Second priority security interest in all business assets of Borrower.
<u>Other Terms:</u>	Assignment of Life Insurance on the life of Erika Fallon in an amount not less than \$300,000.

NOW, THEREFORE, BE IT RESOLVED, that the Loan Application is hereby conditionally approved, subject to completion of all standard requirements of ACBDC and satisfaction of all conditions precedent normally applicable to ACBDC business loans and all conditions which legal counsel for ACBDC deems reasonably appropriate to the circumstances; and be it further

RESOLVED, that upon satisfaction of all of the aforesaid requirements and conditions, ACBDC is authorized to close and fund the Loan, including execution by appropriate official of Alliance, as agent of ACBDC, of all documents required to be executed in connection therewith.

**Albany County Business Development Corp.
 Al Tech Loan Fund
 Loan Proposal
 May 16, 2024**

BORROWER: Fallon Wellness Pharmacy, LLC or Real Estate Holding Company, LLC to be Formed.

REQUEST: Three-Hundred Thousand Dollars (\$300,000)

TERM: 5-Year Term – 20 Year Amortization

RATE: 4.00%

PROJECT: Fallon Wellness Pharmacy, LLC is actively pursuing a new location for their Pharmacy at 303 Troy -Schenectady Road, Latham. The decision has been made to move 3.7 miles east on the same road as their lease is coming due with the existing landlord and there is significant deferred maintenance that needs to be addressed. The decision to move from their current location has been a difficult one.

The sources and uses of the proposed project financing are follows:

SOURCES		USES	
Al Tech Funds	\$300,000	Purchase	\$700,000
Bank Financing	1,050,828	Renovations, soft costs, engineering, and architecture	800,920
Owner's Equity	140,092	Closing Costs	25,000
Sellers Note	35,000		
Total	\$1,525,920	Total	\$1,525,920

NBT is offering Fallon Wellness Pharmacy a \$250,000 SBA Express LOC as part of the transaction.

Erika Fallon is in the process of buying the Pharmacy from her father Peter Fallon for \$370,000. Peter Fallon is holding a sellers note.

COLLATERAL: Collateral will be a second mortgage lien behind NBT Bank, not to exceed \$1,050,828. Second UCC lien on the Business Assets of Fallon Wellness Pharmacy and Collateral Assignment of Life Insurance on Erika Fallon in the full amount of the Loan.

GUARANTORS: Loan will require the unlimited personal guarantee of Erika Fallon and the unlimited corporate guarantee of the operating company (assuming the RE Holding Company will be the Borrower).

Background Investigation – Erika Fallon

Credit Report	<p>Credits cards have a combined limit of \$64,100. 48-month high balance was \$58,600. Current Balance, paid monthly \$4,923</p> <p>All payments made as agreed for the past 48 months.</p> <p>Spouse holds the Residential mortgage in his name, with Erika being on the Deed, mortgage balance is \$715K with monthly payment of approximately \$5K including P, I, E & Ins. Value of property estimated at about one million dollars.</p>
Assets	Real estate assets are consistent with PFS provided by Borrower.
Liens	No Records Found
Judgments	No Records Found

BACKGROUND:

What is a compound Pharmacy: (from WEBMD)

When we are prescribed medication, your doctor will probably prescribe a premade one that's FDA-approved. But sometimes, they may want you to go on a compounded medicine — one specifically made for your needs.

About 1% to 3% of prescriptions in the U.S. are for compounded drugs.

These medicines may be free of certain allergens or have a dosage that’s different than the preset dosages available. They may change the formula for an existing medicine to meet your specific needs.

The risks of compounded medicines are different so the laws that govern compounding pharmacies and compounded drugs differ from a traditional drug manufacturer or pharmacy.

How Is a Compounding Pharmacy Different from a Regular Pharmacy?

Compounding pharmacies sell custom-made medicines. Retail or hospital pharmacies (also known as community pharmacies) sell medicines made by manufacturers, but they can still offer certain compounded drugs. They just may not offer all the exact mixtures you need, especially if what you need must be made in a special setting to ensure safety. In that case, you may need to go to a compounding pharmacy, specifically.

There are about 56,000 community-based pharmacies in the U.S. Of them, about 7,500 pharmacies offer compounding services. Some estimates say that more than 32,000 pharmacies in the country offer some kind of compounding. About 40% of people who can compound drugs work in pharmacies that solely compound drugs.

What Are the Different Kinds of Compounded Medicines?

There are two kinds of medicines made at compounding pharmacies.

- **Sterile compounds** are drugs that are injected into your tissue or blood or put into your eyes. They have a higher risk for contamination than traditional pharmacies.
- **Non-sterile compounds** come in capsules, creams, and ointments.

Compounding pharmacies have to use pure, pharmaceutical-grade ingredients when they mix up a compounded drug. These must be made at a facility that's registered with the FDA.

There are differences in how compound and traditional drugs are labeled, too. Compounded medicine labels don't follow a format like FDA-approved drugs do. They aren't regulated the same, either.

Different Types of Compounding Pharmacies?

There are two types of compounding pharmacies:

503A compounding pharmacies. They can create a medication for you based on your doctor's prescription. The compounding can't be done by someone under supervision of a pharmacist. They're mostly managed by individual states.

503B compounding pharmacies. These are outsourcing facilities, which can make a medicine based off a prescription. They can also create large amounts of medicines and sell them to medical offices. The FDA manages most of these. They have stricter labeling rules than 503A pharmacies in an effort to avoid confusion.

What Governs Compounded Drugs and Compounding Pharmacies?

Although the FDA has approved the medicines used in a compounding pharmacy, it doesn't approve compounded drugs like they do with traditional prescription drugs, such

as the dosages The FDA can't confirm if a compounded drug is safe or effective the way that they do with manufactured drugs.

State pharmacy boards manage compounding pharmacies in the U.S. But the FDA can oversee the safety of drugs used in compounding. The Drug Enforcement Administration (DEA) can do the same for controlled substances that are put into compounded drugs. Federal and state authorities can manage the labs and equipment used, too.

Compounded drugs have to follow industry standards, and the United States Pharmacopeia (USP) Convention sets those. If they're made in an outsourcing facility, they have to follow good manufacturing practice (CGMP) rules that cover how they're made, processed, and packed.

In addition to licensed doctors, a licensed pharmacist, or someone supervised by one, can create a compounded drug.

They can be made in a pharmacy or outsourcing facility. The FDA and state pharmacy boards can inspect those facilities.

FWP is a non-sterile compounding pharmacy and a 503A facility.

History and Future of Fallon Wellness:

Erika Fallon, soon to be 100% owner of Fallon Wellness Pharmacy (FWP) is a 2008 graduate of the Albany College of Pharmacy. Erika Fallon specializes in non-sterile compounding, hazardous compounding and regulatory compliance. Mrs. Fallon has been the supervising pharmacist at FWP since 2010. She is currently working with her father Peter Fallon to purchase his shares of FWP.

FWP has 4 distinct profit centers, CBD Sales (6.4%), Veterinary Medications (26.3%), Human Medications (40%) and Wellness products (27.3%) including vitamins, minerals and other cures.

FWP offers 29 different CBD products, including gummies, chews, tinctures and creams with prices ranging from \$30 up to \$180 depending on the mg dosage.

Non-sterile compounding for veterinary patients is about more than just creating customized medications – it's about improving the quality of life for your pets. By developing personalized solutions that cater to their specific needs, non-sterile compounding can reduce stress in your pet when administering the medication; Improve compliance, meaning the pet is more likely to take / accept the medication and supports optimal pet health by customizing the prescription to the pet's ailments.

Non-sterile compounding for veterinary patients is about more than just creating customized medications – it's about improving the quality of life for your pets. By developing personalized solutions that cater to their specific needs, non-sterile compounding can:

Non-sterile compounding refers to pharmacy personnel's preparation of customized medications such as oral products, creams, ointments, and suppositories. The compounding process refers to the manipulation and combining of medications to create specific formulations for individual patient needs. For pharmacy technicians, this practice requires specialized training and adherence to quality control measures set by the United States Pharmacopeia (USP) to ensure the safety, efficacy, and stability of the compounded products.

FWP largest revenue center is compounding for people. The areas FWP focuses on include but are not limited to dermatology treatments; Low dose naltrexone (LDN) is used for conditions such as fibromyalgia, Crohn's disease, multiple sclerosis, and complex regional pain syndrome, as it may work as an anti-inflammatory agent in the central nervous system. Use of low dose naltrexone is an off-label use and is not FDA-approved for these conditions; pain management programs; pediatric and allergen friendly treatments; and treatments for sexual dysfunction.

The fourth profit center is wellness which consists of vitamins, minerals, herbal remedies, and other health-based remedies. A wellness pharmacist uniquely focuses on patient quality of life and personalized care to help patients achieve optimum health beyond their prescriptions alone.

In speaking with Erika Fallon, Supervising Pharmacist, FWP three most popular treatments are Vet care, medication for fissures and hormone therapies.

Non-allergen and dye free compounds are a growing segment of the pharmacy, this is due to allergies in children and many parents avoid red dye (no necessary) in their childrens' medications. Corn is a new allergen that many medications have as an ingredient.

FWP compounds on average 60+ prescriptions a day, where the average pharmacy may compound 1 – 5 a day. The closest competitor doing what Fallon's is producing is an hour south in Kingston NY.

95% of their clients are cash payers verse insurance reimbursement.

Building - 303 Troy-Schenectady Road, Latham:

FWP is under contract to purchase 303 Troy-Schenectady Road in Latham. The property consists of two buildings, a single-story brick retail building, approximately 1784 sq ft and a one and a half story residential building, approximately 1,170 sq ft. between the two structures is a detached 2 car garage that will be attached to the retail space utilizing a to be built addition.

The purchase price is \$700,000, construction costs are estimated at \$800,920 (including a \$51,720 contingency, engineering, architecture and soft costs) and closing costs are estimated at \$25,000 for a total budget of \$1,525,920.

FINANCIALS:

See attached financial information:

ECONOMIC IMPACT: Al Tech will be providing a loan to the owners of the business that will occupy the space. Owner-occupied real estate will allow the owners to build equity and control the location as they currently rent their space. Additionally, there are tax advantages to owning real estate.

By the time the transaction begins, Erika Fallon will own 100% of the business and real estate holding company. Erika is buying out her father Peter Fallon for \$370,000. Peter will hold the sellers note.

FWP will be a women-owned business, they currently have 5 FT and 4 PT. Erika feels that she will need to add 1 additional FT pharmacist and 2 PT support staff.

As Erika and her staff started exploring new locations, they did look outside of Albany County, this loan would be considered a retention of jobs in the County.

STRENGTHS

- There is sufficient cash flow to support the purchase, renovations and occupancy of 303 Troy Schenectady Road, Latham
- Fits the mission of the fund to support and MWBE
- Healthcare is part of the county's strategic plan; Fallon Wellness Pharmacy is one of the only compound pharmacies located in Albany County and the entire Capital Region.
- The new location is 3.7 miles east of their current location, on the same road.

WEAKNESS:

- Significant renovations are required to make the property suitable for their new pharmacy.
- Limited liquidity of the owner, Erika Fallon

OTHER TERMS AND CONDITIONS

- Assignment of life insurance on the life of Erika Fallon in the amount of the loan
- Real estate appraisal on property located at 303 Troy-Schenectady Road, Latham, NY, ACBDC Financing not to exceed 90% LTV.
- Environmental report on the property located at 303 Troy-Schenectady Road, Latham, NY (following NBT Guidelines)
- Al Tech to fund at the end of construction, upon receipt of CO.

Name Erika Fallon	Business Phone (xxx-xxx-xxxx) (518) 220-2005
Home Address 9 Meghan Ct	Home Phone (xxx-xxx-xxxx) (518) 339-9199
City, State, & Zip Code Saratoga Springs, NY 12866	
Business Name of Applicant/Borrower Fallon Wellness Pharmacy	
Business Address (if different than home address) 1057 Troy Schenectady Rd Latham NY 12110	
Business Type: <input type="checkbox"/> Corporation <input type="checkbox"/> S-Corp. <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor (does not apply to ODA applicant)	
This information is current as of [month/day/year] (within 90 days of submission for 7(a)/504/SBG/ODAWOSB or within 30 days of submission for 8(a) BD)	
WOSB applicant only, Married <input type="checkbox"/> Yes <input type="checkbox"/> No	

ASSETS (Omit Cents)	LIABILITIES (Omit Cents)
Cash on Hand & in banks..... \$ 143,400	Accounts Payable..... _____
Savings Accounts..... _____	Notes Payable to Banks and Others..... _____ (Describe in Section 2)
IRA or Other Retirement Account..... \$ 321,471 (Describe in Section 5)	Installment Account (Auto)..... _____ Mo. Payments _____
Accounts & Notes Receivable..... _____ (Describe in Section 5)	Installment Account (Other)..... _____ Mo. Payments _____
Life Insurance – Cash Surrender Value Only..... _____ (Describe in Section 8)	Loan(s) Against Life Insurance..... _____
Stocks and Bonds..... _____ (Describe in Section 3)	Mortgages on Real Estate..... \$ 715,000 (Describe in Section 4)
Real Estate..... \$1,025,300 (Describe in Section 4)	Unpaid Taxes..... _____ (Describe in Section 6)
Automobiles..... _____ (Describe in Section 5, and include Year/Make/Model)	Other Liabilities..... _____ (Describe in Section 7)
Other Personal Property..... _____ (Describe in Section 5)	Total Liabilities..... \$ 712,000
Other Assets..... _____ (Describe in Section 5)	Net Worth..... \$778,171
Total \$ 1,490,171	Total \$1,490,171 Must equal total in assets column.

Section 1. Source of Income.	Contingent Liabilities
Salary..... \$ 156,000.00	As Endorser or Co-Maker..... _____
Net Investment Income..... _____	Legal Claims & Judgments..... _____
Real Estate Income..... _____	Provision for Federal Income Tax..... _____
Other Income (Describe below)..... _____	Other Special Debt..... _____

Description of Other Income in Section 1 (Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	Primary Residence		
Address	9 Meghan Ct Saratoga Springs NY 12866		
Date Purchased	09/30/2022		
Original Cost	\$ 890,000		
Present Market Value	\$1,025,300		
Name & Address of Mortgage Holder	Truist		
Mortgage Account Number			
Mortgage Balance	\$712,000		
Amount of Payment per Month/Year	\$5,000 includes Taxes and Insurance		
Status of Mortgage	Current		

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

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Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)


Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan, surety bond, or participation in the WOSB or 8(a) BD program. I further certify that I have read the attached statements required by law and executive order.-

Signature		Date	05/08/2024
Print Name	Erika Fallon	Social Security No.	050 76 2772
Signature	_____	Date	_____
Print Name	_____	Social Security No.	_____

Fallon Wellness Pharmacy LLC

Requested Facilities	
Facility #1 (Line of Credit Bank)	Line of Credit Limit \$ 200,000
	Interest Rate (Prime + 0%) 8.50%
	Annual Debt Service \$ 17,000
	Collateral Value
Facility #2 (Construction to Perm Bank)	Loan Amount \$ 1,050,828
	Term 10
	Amortization 25
	Interest Rate 7.00%
	Annual Debt Service \$ 90,172
	Collateral Value
Facility #3 (ALTEC Takeout)	Loan Amount \$ 300,000
	Term 20
	Amortization 20
	Interest Rate 4.00%
	Annual Debt Service \$ 22,075
	Collateral Value
Facility #4 (Real Estate Seller Note 5% of \$700,000)	Loan Amount \$ 35,000
	Term 5
	Amortization 5
	Interest Rate 5.00%
	Annual Debt Service \$ 8,984
	Collateral Value
Facility #5 (Partner Buyout Held by Partner 100%)	Loan Amount \$ 370,000
	Term 10
	Amortization 10
	Interest Rate 5.00%
	Annual Debt Service \$ 47,917
	Collateral Value
Total Requested Lender Facilities	\$ 1,550,828

Cash Flow	BTR	BTR	BTR	BTR	BTR
	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Total EBITDA:	\$ 255,804	\$ 341,172	\$ 378,751	\$ 358,373	\$ 383,451
Proposed DSCR	3.94	5.26	5.83	5.52	5.91
Adjusted EBITDA:	\$ 207,159	\$ 306,588	\$ 351,702	\$ 318,488	\$ 343,566
Proposed DSCR:	3.19	4.72	5.42	4.91	5.29
Excess Cash After DS	\$ 151,158	\$ 250,587	\$ 295,701	\$ 262,487	\$ 278,649

*Interest rate before Deposit Link

As Complete Appraised Value for 65% NBT \$ 1,616,658

Sources & Uses	Facility #2 (Construction to Perm Bank)	Facility #3 (ALTEC Takeout)	Facility #4 (Real Estate Seller Note 5% of \$700,000)	Facility #5 (Partner Buyout Held by Partner 100%)	Borrower Equity in Project	Total
Sources						
Facility #2 (Construction to Perm Bank)	\$ 1,050,828					\$ 1,050,828
Facility #3 (ALTEC Takeout)		\$ 300,000				\$ 300,000
Facility #4 (Real Estate Seller Note 5% of \$700,000)			\$ 35,000			\$ 35,000
Facility #5 (Partner Buyout Held by Partner 100%)				\$ 370,000		\$ 370,000
Borrower Equity in Project					\$ 140,092	\$ 140,092
Total						\$ 1,895,920
Uses						
Purchase Price		\$ 700,000				\$ 700,000
Business Acquisition		\$ 370,000				\$ 370,000
Renovation Costs			\$ 800,920			\$ 800,920
Financing Costs				\$ 25,000		\$ 25,000
Total						\$ 1,895,920

Standalone RE Hold Co	Projected	Projected	Projected	Projected
	12/31/2025	12/31/2025	12/31/2023	12/31/2025
Total NOI excluding residentia	\$ 115,000	\$ 343,566	\$ 343,566	\$ 458,566
Proposed DSCR	0.96	5.29	5.29	2.48
Adjusted NOI:	\$ 115,000	\$ -	\$ -	\$ -
Proposed DSCR:	0.96	5.29	5.29	2.48
Excess Cash After DS	\$ (5,337)	\$ 278,649	\$ 278,649	\$ 273,319

Fallon Wellness Pharmacy LLC
Profit & Loss

HISTORICAL	Full Year														
	12/31/2018		12/31/2019		12/31/2020		12/31/2021		12/31/2022		12/31/2023				
Statement Date	FYE		FYE		FYE		FYE		FYE		FYE				
Statement Type	12		12		12		12		12		12				
Months	Accrual		Accrual		Accrual		Accrual		Accrual		Accrual				
Accounting Basis	Tax Return		Tax Return		Tax Return		Tax Return		Tax Return		Tax Return				
Statement Quality	Consolidated		Consolidated		Consolidated		Consolidated		Consolidated		Consolidated				
Consolidation	Consolidated		Consolidated		Consolidated		Consolidated		Consolidated		Consolidated				
Net Income	\$	95,360	\$	226,250	\$	283,655	\$	370,668	\$	357,858	\$	382,936			
EBITDA	\$	158,073	\$	255,804	\$	341,172	\$	378,751	\$	358,373	\$	383,451			
Income/Expenses															
Sales/Revenues															
Gross Sales		1,744,174	100.0%	2,112,100	99.0%	2,019,769	99.9%	2,115,649	100.0%	1,977,298	100.0%	2,037,676	100.0%		
Consulting Income		-	0.0%	7,333	0.3%	1,063	0.1%	-	0.0%	-	0.0%	-	0.0%		
Insurance Proceeds		-	0.0%	14,775	0.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Other Sales		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Shipping		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Net Sales/Revenue	\$	1,744,174	100.0%	\$	2,134,208	100.0%	\$	2,020,832	100.0%	\$	2,115,649	100.0%	\$	2,037,676	100.0%
Year over Year (YOY) Change				22.4%			-5.3%		4.7%			-6.5%		3.1%	
Cost of Goods Sold															
Purchases (less Inventory)		549,816	31.5%	722,452	33.9%	652,424	32.3%	621,411	29.4%	574,993	28.1%	607,790	29.8%		
Materials and Supplies		9,706	0.6%	22,338	1.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Other Costs		40,521	2.3%	24,905	1.2%	46,215	2.3%	50,255	2.4%	41,636	2.1%	31,010	1.5%		
Direct Labor		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Packaging		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Shipping costs		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Labels		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Pharmacy Supplies		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Lab Quality Tests		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Total Cost of Goods Sold	\$	600,043	34.4%	\$	769,695	36.1%	\$	698,639	34.6%	\$	671,666	31.7%	\$	638,800	31.3%
Gross Profit	\$	1,144,131	65.6%	\$	1,364,513	63.9%	\$	1,322,193	65.4%	\$	1,443,983	68.3%	\$	1,398,876	68.7%
YOY Change				19.3%			-3.1%		9.2%			-5.8%		2.8%	
Operating Expenses															
Advertising		8,273	0.5%	6,905	0.3%	4,665	0.2%	6,767	0.3%	4,905	0.2%	2,822	0.1%		
Car & Truck Expenses		3,474	0.2%	6,766	0.3%	2,468	0.1%	8,371	0.4%	10,186	0.5%	12,039	0.6%		
Employee Benefits		35,763	2.1%	44,403	2.1%	45,656	2.3%	49,882	2.4%	41,537	2.1%	33,445	1.6%		
Legal & Professional		30,815	1.8%	30,194	1.4%	28,855	1.4%	31,889	1.5%	23,732	1.2%	12,341	0.6%		
Office Expenses		12,589	0.7%	13,806	0.6%	13,352	0.7%	20,547	1.0%	23,262	1.2%	33,012	1.6%		
Lease Expense		105,115	6.0%	96,355	4.5%	105,115	5.2%	105,115	5.0%	105,115	5.3%	105,115	5.2%		
Repairs & Maintenance		17,265	1.0%	18,500	0.9%	21,830	1.1%	11,658	0.6%	22,663	1.1%	20,071	1.0%		
Supplies		12,422	0.7%	16,576	0.8%	23,837	1.2%	20,181	1.0%	17,495	0.9%	24,636	1.2%		
Taxes & Licenses		66,517	3.8%	71,685	3.4%	57,940	2.9%	74,746	3.5%	79,710	4.0%	78,029	3.8%		
Travel		7,383	0.4%	5,216	0.2%	911	0.0%	1,244	0.1%	1,646	0.1%	6,733	0.3%		
Meals		607	0.0%	1,731	0.1%	473	0.0%	4,003	0.2%	4,391	0.2%	2,672	0.1%		
Utilities & Telephone		28,109	1.6%	22,091	1.0%	30,343	1.5%	29,439	1.4%	31,834	1.6%	31,612	1.6%		
Wages		607,690	34.8%	676,937	31.7%	669,918	33.2%	598,632	25.5%	513,345	25.0%	516,014	25.3%		
Merchant Processing Fees		41,665	2.4%	49,554	2.3%	52,421	2.6%	52,867	2.5%	49,973	2.5%	51,252	2.5%		
Data Processing		6,228	0.4%	7,024	0.3%	6,678	0.3%	9,172	0.4%	9,157	0.5%	8,489	0.4%		
Computer Support		6,409	0.4%	6,333	0.3%	6,389	0.3%	26,208	1.2%	14,164	0.7%	7,727	0.4%		
Dues & Subscriptions		2,343	0.1%	5,343	0.3%	4,382	0.2%	5,499	0.3%	3,939	0.2%	3,434	0.2%		
Miscellaneous Expenses		9,723	0.6%	13,322	0.6%	11,472	0.6%	27,068	1.3%	13,350	0.7%	4,510	0.2%		
Insurance		34,213	2.0%	44,661	2.1%	46,329	2.3%	43,495	2.1%	45,717	2.3%	47,075	2.3%		
Pension & Profit Sharing		-	0.0%	-	0.0%	14,000	0.7%	-	0.0%	-	0.0%	15,841	0.8%		
Uniform		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	261	0.0%		
Entertainment		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Donations		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
G & A Expenses		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Depreciation		61,493	3.5%	28,211	1.3%	56,942	2.8%	8,083	0.4%	515	0.0%	258	0.0%		
Amortization		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Total Operating Expenses	\$	1,098,096	63.0%	\$	1,165,813	54.6%	\$	1,203,976	59.6%	\$	1,074,866	50.8%	\$	1,017,188	51.4%
Income (Loss) From Operations	\$	46,035	2.6%	\$	198,900	9.3%	\$	118,217	5.8%	\$	369,117	17.4%	\$	381,688	19.3%
YOY Change				332.1%			-40.6%		212.2%			-6.8%		10.9%	
Other Income (Expense)															
Interest Expense		(1,220)	-0.1%	(1,343)	-0.1%	(575)	0.0%	-	0.0%	-	0.0%	-	0.0%		
Interest Income		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
PPP Loan Forgiveness		-	0.0%	-	0.0%	156,800	7.8%	-	0.0%	-	0.0%	-	0.0%		
Other Income		50,545	2.9%	28,693	1.3%	9,213	0.5%	1,551	0.1%	13,825	0.7%	1,248	0.1%		
Other Item #2		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Other Item #3		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Other Item #4		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Gain (Loss) on Asset Sale		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Total Other Income (Expense)	\$	49,325	2.8%	\$	27,350	1.3%	\$	165,438	8.2%	\$	1,551	0.1%	\$	13,825	0.7%
Income (Loss) Before Taxes	\$	95,360	5.5%	\$	226,250	10.6%	\$	283,655	14.0%	\$	370,668	17.5%	\$	357,858	18.1%
YOY Change				137.3%			25.4%		30.7%			-3.8%		7.0%	
Income Tax Expense (Credit)	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%
Net Income (Loss)	\$	95,360	5.5%	\$	226,250	10.6%	\$	283,655	14.0%	\$	370,668	17.5%	\$	357,858	18.1%
YOY Change				137.3%			25.4%		30.7%			-3.5%		7.0%	
EBITDA Calculations															
EBITDA															
Net Income (Loss)		95,360		226,250		283,655		370,668		357,858		382,936			
Interest Expense		1,220		1,343		575		-		-		-			
Income Tax Expense (Credit)		-		-		-		-		-		-			
Depreciation		61,493		28,211		56,942		8,083		515		515			
Amortization		-		-		-		-		-		-			
EBITDA:	\$	158,073	9.1%	\$	255,804	12.0%	\$	341,172	16.9%	\$	378,751	17.9%	\$	358,373	18.1%
Adjustments															
Less: PPP Loan Forgiveness		-		-		(156,800)		-		-		-			
Less: Erika's W-2 Salary		-		-		162,101		12,836		-		-			
Add: Rent Expense		105,115		96,355		105,115		105,115		105,115		105,115			
Less: Proposed Rent		(145,000)		(145,000)		(145,000)		(145,000)		(145,000)		(145,000)			
Adjusted EBITDA:	\$	118,188	6.8%	\$	207,159	9.7%	\$	306,588	15.2%	\$	351,702	16.6%	\$	343,566	17.4%
YOY Change				75.3%			48.0%		14.7%			-9.4%		7.9%	

Fallon Wellness Pharmacy LLC
Balance Sheet

Full Year					
Statement Date	12/31/2020	12/31/2021	12/31/2022	12/31/2022	12/31/2023
Statement Type	FY	FY	FY	FY	FY
Months	12	12	12	12	12
Statement Quality	Tax Return	Tax Return	Tax Return	Co. Prepared	Co. Prepared
Consolidation	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Total Assets	\$ 838,628	\$ 709,340	\$ 168,603	\$ 168,600	\$ 234,793
Total Liabilities & Net Worth	\$ 838,628	\$ 709,340	\$ 168,603	\$ 168,600	\$ 234,793
Difference	\$ -	\$ -	\$ -	\$ -	\$ -
Assets					
Current Assets					
Cash	710,354	582,044	38,294	38,294	96,499
Accts Receivable- Trade	19,966	-	1,639	1,639	
Inventory	78,728	95,434	100,237	100,237	99,871
Miscellaneous Receivables	21,160	2,913	-		(346)
Loans to Partners	-	21,160	21,160	21,160	21,160
Undeposited Funds	-	-	-		
Total Current Assets	\$ 830,208	\$ 701,551	\$ 161,330	\$ 161,329	\$ 217,184
Fixed Assets					
Equipment & Machinery	701,663	722,191	746,470	387,073	402,959
Vehicles	-	-	-	39,752	39,752
Computer Software & Hardware	-	-	-	46,653	48,707
Furniture & Fixtures	-	-	-	82,062	87,824
Leasehold Improvements	-	-	-	190,929	195,565
Gross Fixed Assets	\$ 701,663	\$ 722,191	\$ 746,470	\$ 746,468	\$ 774,807
Accum Deprec & Impairment(-)	(693,243)	(714,404)	(739,198)	(739,198)	(757,198)
Net Fixed Assets	\$ 8,420	\$ 7,787	\$ 7,272	\$ 7,270	\$ 17,609
Rounding	-	2	1		
Total Non-Current Assets	\$ 8,420	\$ 7,789	\$ 7,273	\$ 7,270	\$ 17,609
Total Assets	\$ 838,628	\$ 709,340	\$ 168,603	\$ 168,600	\$ 234,793
Liabilities					
Current Liabilities					
Accounts Payable-Trade	145,484	87,156	39,989		
Due to Doherty Estate	432,180	432,180	-		
Pension Plan Payable	14,000	60,823	23,251		
Sales Tax Payable	3,760	4,374	3,720	3,720	4,653
Credit Cards	-	-	-	39,989	77,520
Accrued Payroll	-	-	-		(435)
Other Accrued Expenses	-	-	-	23,251	23,251
Total Current Liabilities	\$ 595,424	\$ 584,533	\$ 66,960	\$ 66,960	\$ 104,989
Non-Current Liabilities					
Loans From Partners	60,000	-	-		
Total Non-Current Liabilities	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ 655,424	\$ 584,533	\$ 66,960	\$ 66,960	\$ 104,989
Net Worth/Owner's Equity					
Partners Capital Accounts	183,204	124,807	101,643		
Erika - Draws	-	-	-	(193,254)	(347,204)
Capital - Peter Fallon	-	-	-	124,804	124,804
Capital Payment to Estate (Doherty)	-	-	-		
Dividends (Peter Fallon)	-	-	-	(137,792)	(265,117)
Capital - Erika	-	-	-		
Retained Earnings	-	-	-	307,882	307,882
Net Income	-	-	-		309,438
Total Net Worth/Owner's Equity	\$ 183,204	\$ 124,807	\$ 101,643	\$ 101,640	\$ 129,804

RE Hold Co TBD
Profit & Loss

HISTORICAL			
Statement Date	12/31/2025		
Statement Type	Pro Forma		
Months	12		
Statement Quality	Projection		
Consolidation	Consolidated		
Net Income	\$	115,000	
Net Operating Income	\$	115,000	
Income/Expenses			
Rental Income			
Commercial Rental Income	\$	145,000.00	111%
Commercial Vacancy		(14,500)	-11%
Net Rental Income	\$	130,500	100%
Year over Year (YOY) Change		0.0%	
Total Other Operating Income	\$	-	#DIV/0!
Effective Gross Income	\$	130,500	
YOY Change		0.0%	
Operating Expenses			
Advertising	-		0%
Auto	-		0%
Cleaning & Maintenance	-		0%
Commissions	-		0%
Insurance	-		0%
Legal & Professional Fees	1,000		1%
Management Fees 5%	7,250		6%
Repairs 5%	7,250		6%
Supplies	-		0%
Taxes	-		0%
Utilities	-		0%
Bank Fees	-		0%
Water/Sewer	-		0%
Travel	-		0%
Depreciation	-		0%
Amortization	-		0%
Total Operating Expenses	\$	15,500	12%
Income (Loss) From Operations	\$	115,000	88%
YOY Change		0.0%	
Other Income (Expense)			
Interest Expense	-		0%
Interest Income	-		0%
Gain (Loss) on Asset Sale	-		0%
Total Other Income (Expense)	\$	-	0%
Income (Loss) Before Taxes	\$	115,000	0%
YOY Change		0.0%	
Income Tax Expense (Credit)	\$	-	0%
Net Income (Loss)	\$	115,000	88%
YOY Change		0.0%	
NOI Calculations			
Net Operating Income (Loss)			
Net Income (Loss)		115,000	
Interest Expense		-	
Income Tax Expense (Credit)		-	
Depreciation		-	
Amortization		-	
NOI:	\$	115,000	88%
Adjustments			
		-	
		-	
		-	
Adjusted NOI:	\$	115,000	88%
YOY Change		0.0%	
Valuation without income from SF Home			
Valuation without income from SF Home	\$1,437,500		
Cap Rate	8.00%		
CLTV Based on Total New CRE Debt	94%		

<u>Division 1 - General Conditions</u>		\$47,200
Office Supervision		
Site Supervision		
Dumpsters		
Permits		
Trucking		
Cleaning		
<u>Division 2 - Sitework</u>		\$64,000
Excavate/ Backfill Foundations		
Parking lot prep/ paving		
Landscaping		
<u>Division 3 - Concrete</u>		\$40,000
Walls/ Footings		
Ramp sono-tube		
Slabs		
<u>Division 4 - Demolition</u>		\$44,000
Interior walls		
Exterior walls		
Flooring		
Ceilings		
Interior stairs		
Exterior ramp		
Connection removals		
Shoring		
<u>Division 6 - Carpentry</u>		\$95,000
Exterior framing		
Interior framing		
Exterior sheathing		
Insulation		
Drywall		
Taping		
Window and door infill		
<u>Division 7 - Thermal and Moisture Protection</u>		\$24,000
EPDM roof		
<u>Division 8 - Openings</u>		\$20,000
Doors/ frames/hardware		
Aluminum storefronts/ windows		
<u>Division 9 - Finishes</u>		\$41,000
Painting		
Flooring		
Exterior siding at addition		
<u>Division 10 - Specialties</u>		\$32,000
Exterior ramp		
<u>Division 11 - Plumbing/ HVAC (Allowance)</u>		\$75,000
Bathroom relocation		
Lab plumbing		
Re-use of existing HVAC units		
New duct		
<u>Division 12 - Electrical (Allowance)</u>		\$35,000
Construction Total		\$517,200
Construction Contingency	10%	\$51,720
OPM		\$32,000
CLA		\$150,000
Purchase of Real Estate		\$700,000
Engineer		\$15,000
Architect		\$35,000
	Total	\$1,500,920
<u>No included in budget</u>		
<i>Signage</i>	\$	-
<i>Cleanroom design and equipment</i>	\$	-
<i>Casework</i>	\$	-
<i>Hazardous Material Removal</i>	\$	-
Final Total		\$1,500,920

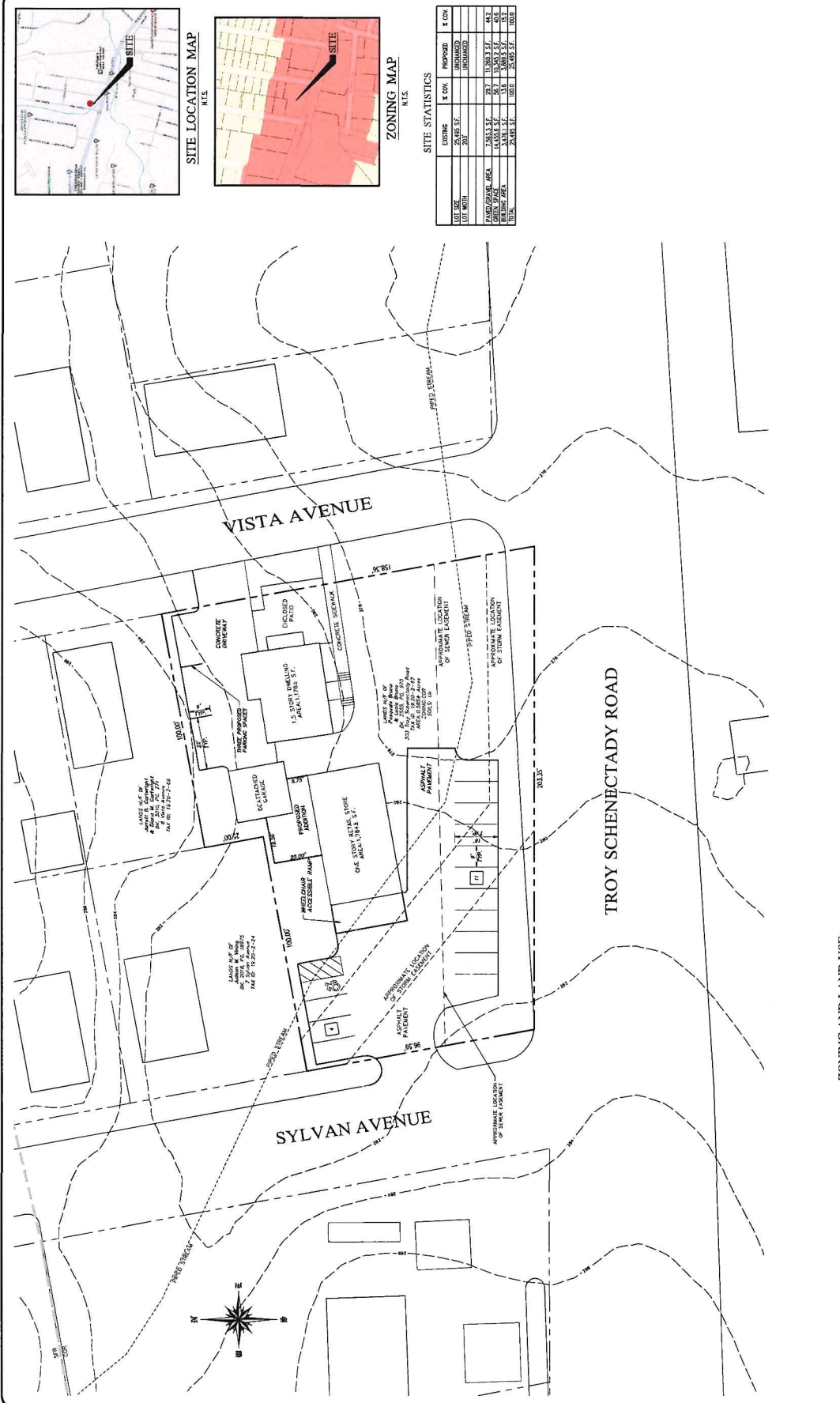


ADVANCE ENGINEERING & SURVEYING, P.L.L.C.
 CONSULTING IN -
 CIVIL & ENVIRONMENTAL ENGINEERING
 LAND SURVEYING & DEVELOPMENT
 COMMERCIAL AND RESIDENTIAL
 11 HERBERT DRIVE, LATHAM, N.Y. 12110
 (518) 982-2722
 E-MAIL: HCS@AESURV.COM

REVISION
 NO. 1
 DATE 12/21/2023
 BY [Signature]
 CHECKED [Signature]
 APPROVED [Signature]

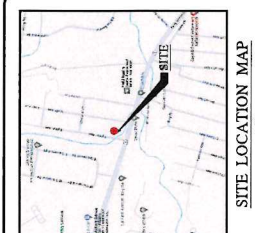
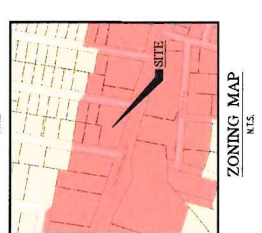
NO.	REVISION	BY	DATE
1	ISSUED FOR PERMITS	[Signature]	12/21/2023

TOWN OF COLONIE ENGINEERING
 COMMERCIAL DEVELOPMENT APPROVAL



SITE STATISTICS

EXISTING	% DEV.	PROPOSED	% DEV.
LOT AREA		IMPROVED	
25,500 S.F.		25,500 S.F.	
PAVED/PAV. AREA		297,11,000 S.F.	41.2
11,583 S.F.	29.7	11,000 S.F.	43.1
11,583 S.F.	45.4	11,000 S.F.	43.1
25,500 S.F.	100.0	25,500 S.F.	100.0



ZONING AND LAND USE:
 CHAPTER 189 ATTACHMENT 2
 TOWN OF COLONIE
 (AMENDED 6-28-2018 BY L.L. NO. 2-18-18, 1-18-18 BY L.L. NO. 8-18-18, 5-11-2009 BY L.L. NO. 8-09-09, 4-11-01 BY L.L. NO. 8-01-01)

DISTRICT	MAXIMUM HEIGHT (feet)	MAXIMUM FOOTPRINT (square feet)	MINIMUM MANUFA MANUFA (square feet)	LOT AREA (square feet)	BULLDOZE AND LOT REQUIREMENTS		YARD REQUIREMENTS	
					MINIMUM GRADE COVERAGE	BASE DENSITY (minimum)	FRONT MINIMUM (feet)	REAR MINIMUM (feet)
RESIDENTIAL	75	30,000 *	10,000	100	15%	SEE NOTE 6	10,000 *	15



**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION
BOARD OF DIRECTORS**

RESOLUTION

APPROVING 219 WAREHOUSE GRILL, LLC LOAN FORBEARANCE

WHEREAS, Albany County Business Development Corporation (“**ACBDC**”) administers a revolving business loan fund for the purpose of creating and retaining jobs in Albany County; and

WHEREAS, 219 Warehouse Grill, LLC (the “**Borrower**”), Mezzanotte LLC, Stellare LLC, Connie Ware, and Mitchell Ware (collectively the “**Guarantors**”) are obligated to Lender pursuant to, among other documents:

(a) That certain Promissory Note dated January 20, 2016, made by the Borrower in favor of ACBDC in the original principal amount of \$250,000.00 (the “**Note**” or the “**Loan**”);

(b) That certain Security Agreement dated January 20, 2016, made by Borrower in favor of ACBDC (the “**Security Agreement**”), pursuant to which the Borrower granted to the ACBDC a security interest in and to all of the Borrower’s personal property and fixtures (collectively, the “**Collateral**”), in order to secure repayment of the Loan;

(c) Those certain Guaranties dated as of January 20, 2016, each made by the respective Guarantors in favor of ACBDC (collectively, the “**Guaranties**”); and

(d) Any and all other documents evidencing, securing or otherwise relating to the Loan (such documents, together with the documents referenced in (a) through (c) above, being hereinafter collectively referred to as the “**Loan Documents**”); and

WHEREAS, ACBDC is the owner and holder of the Note, the Security Agreement, the Guaranties and all of the other Loan Documents, and there remains outstanding on the Loan the unpaid principal balance of \$ _____; and

WHEREAS, the Borrower and the Guarantors have requested that Lender forbear from exercising its rights, recourses and remedies under the Loan Documents, at law and in equity, and Lender is willing to conditionally so forbear for a six-month period of time commencing on _____, 2024 (the “**Forbearance Period**”);

NOW, THEREFORE, BE IT RESOLVED, that this Board agrees to forbear from exercising its rights under the Loan Documents during the Forbearance Period on the condition that (a) Borrower timely makes all interest payments as and when due under the Loan Documents; and (b) Borrower and Guarantors shall satisfy all other conditions which legal counsel for ACBDC deems reasonably appropriate to the circumstances; and be it further

RESOLVED, that the appropriate representative of the Advance Albany County Alliance Local Development Corporation, as agent of ACBDC, be and hereby is authorized to execute and deliver such agreements and documents as may be necessary to bring the foregoing into effect.

MEMORANDUM

To: ACBDC Board of Directors

From: Kevin Catalano – Director of Commercial Lending

Date: May 16, 2024

RE: 219 Warehouse Grill – Interest only payments for 6-Months

Original Loan Amount: \$250,000, Funded on Jan 20, 2016
Renewed: \$146,042.98 on March 22, 2022
Maturity Date: February 1, 2027
Collateral: A second position UCC lien on all assets of 219 Warehouse Grill, LLC
Guarantors: The loan will require the personal guarantees of Connie Ware and Mitchell Ware, along with the corporate guarantee of 219 Warehouse Grill, LLC, the corporate guarantee of Mezzanotte
Current Balance: \$93,029.45

To date, all payments have been made as agreed.

Due to the downturn in business following the Covid pandemic, 219 Warehouse Grill was forced to close Warehouse Grill & BBQ. Operating losses were approaching \$25,000 a month and it was no longer financially viable to keep it open.

The owners immediately began looking for a tenant to sublease the space so that they might be able to generate some income to offset the amount of principle they still owe on the debt.

At the beginning of this year, the owners received a letter of intent from a local restaurateur and have been negotiating a lease for a sublease on the property. That sublease would run concurrent with the current lease term which runs until November 2035, with two options to renew at the end of those terms.

Current payments to all concerned parties are:

Pursuit/Key Bank - ~\$9,500 per month

AI Tech - ~\$2,300 per month

Rent - ~\$10,000 per month

Per the new proposed sublease, the tenant will be paying \$15,000 per month.

The owner's intent is to liquidate funds from their personal retirement funds to pay down a large portion of the outstanding principles of the current loans so that the rent received from the sub-tenant will be enough to cover the monthly payments on the property.

At this time, the owners are expecting to start receiving rent in full, from the new tenant on October 1st of 2024. During this entire time since the restaurant closed in October of last year, the owners have continued to pay their debt obligations, rent, utilities and insurance payments.

The owners have asked Pursuit/Key Bank for a period of interest only payments in December of 2023, they agreed to a 3-month term beginning in March of this year, with the possible option of adding another 3-month period after that.

The owners are requesting a 6-month period of interest only payments from AI Tech with full payments to coincide with our receipt of rent from the new tenant.

The sublease includes most of the equipment and fixtures currently in the restaurant. Regarding any FF& E that will not be used by the new tenant, the owners would like to liquidate everything utilizing Collar City Auctions with all proceeds to be applied to the loan principles currently outstanding.

Regarding our tax returns for 2022 & 2023 we have been in communication with our accountant and hope to receive both returns shortly.