117 Burgoyne Road, Ticonderoga, NY 12883
518-503-5273 PH
Web site: paperandpencilrestaurant.com

November 13, 2026

Essex County In The Park
Industrial Development Agency
7566 Court Street
P.O. Box 217
Elizabethtown, NY 12931

Via: Email

Dear, IDA Board of Directors;
Carol Calabrese

Thank you for taking the time to address the loan/s that Trail Head Restaurant S Corp, Dba Paper & Pencil (P&P) has outstanding with yourselves, Lake Champlain Lake George Regional Planning Board (LCLGRPB) and the North Country Alliance (NCA).
Included are two spread sheets one is the actual revenue and expenses for 2026 up through yesterday the remainder of November and December are estimates based on 2025 numbers. The other is a forecast for 2027 using this year's numbers with slightly increased revenue numbers and lower cost of labor, Food and LBW expenses. There are other changes that I will explain here.
As you can see, we removed the Credit Card fees as we have been absorbing those, but are now in the process of changing that so our guests will be charged 3% on all Credit Card charges. This will allow us to increase our margins on our Gross income. Which we will use to start making payments to our lenders. This forecast is conservative, but it clearly shows that we only have $1,500.00 available to pay our three lenders.
Our thoughts are to either split that amount into equal payments of $500.00 per month or prorated amounts based on each lender's percent of their total payments, which is indicated at the bottom of the spread sheet. This I know is not ideal for any of you but until the business is sold, or unless business picks up, we don't see many other options. One other that could be considered, but probably not practical, would be to use all the funds to pay only NCA, (which has the shortest terms) until they are paid off, then start paying off the next shortest-term lender. That of course would put us in default with the other two lenders and extend the loans out for many more years.
I am aware that this plan will require some coordination with all three of our lenders, but I think it is the only way we can realistically make some good faith payments, until the business is sold.

PAPER & PENCIL

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So, everyone is aware the real Property and the business is for sale with Hanna and Hanna out of Saratoga and listed on a Nation-wide listing service for $2,450,000. Since August that listing has seen 382 different people looking with 1,011 looks, indicating that some of those looking have visited the site multiple times. At this point no one has inquired further. There is an option, for an additional fee of $400.00 per month to increase the marketing, however we don't feel we have the funds to do that. Our plans are to reconsider reducing the sale price after the end of the year, if we haven't had any serious inquiries.
I am sure you all have a lot of questions and I plan on attending the IDA board meeting in person to answer any questions you have and come up with a solution.
We do appreciate the position you are in and completely understand that this is not how any of us thought this is where we would be three years ago. We are sure we can find a way forward, and we are still confident that this business is important to this community, and does have the ability to make a profit, and that renovating this 200-year-old building was the right thing to do. Again, thank you for your patience, understanding and consideration to find a way to work this out.

Sincerely,

Thomas F Cunningham
Owner/Treasurer
Trail Head Restaurant Group S corp.
Dba Paper & Pencil

CCC:
Matt Simpson NCA
Beth Giles LCLG RPB

Paper & Pencil Restaurant
2026 Actuals

	January	February	March	April	May	June	July	August	September	October	November	December	
SALES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Food Sales	$ 15,861	$ 11,541	$ 12,750	$ 17,803	$ 24,016	$ 35,432	$ 44,368	$ 39,314	$ 29,395	$ 25,989	$ 17,575	$ 24,408	$ 293,454
LBW Sales	$ 9,255	$ 5,663	$ 8,798	$ 8,325	$ 9,029	$ 13,687	$ 15,860	$ 15,344	$ 12,303	$ 11,156	$ 8,546	$ 16,705	$ 134,670
Not Catorized/ Events/ Retail	$ 157	$ 129	$ 104	$ 184	$ 1,536	$ 2,343	$ 711	$ 3,371	$ 286	$ 1,100	$ -	$ -	$ 9,921
Gross Sales	$ 25,272	$ 17,334	$ 21,653	$ 26,312	$ 34,580	$ 51,462	$ 60,939	$ 58,029	$ 41,984	$ 38,245	$ 21,121	$ 41,113	$ 438,045
Credit Card Fees	$ (752)	$ (499)	$ (629)	$ (959)	$ (1,450)	$ (1,825)	$ (2,350)	$ (1,896)	$ (1,239)	$ (989)	$ (271)	$ (1,295)	$ (14,153)
Sales Tax	$ (1,853)	$ (2,102)	$ (1,323)	$ (1,500)	$ (1,853)	$ (3,054)	$ (3,490)	$ (4,555)	$ (4,130)	$ (2,863)	$ (2,557)	$ (3,289)	$ (30,715)
Net Sales	$ 22,667	$ 14,733	$ 19,701	$ 23,854	$ 31,277	$ 46,584	$ 55,099	$ 51,579	$ 36,615	$ 34,394	$ 18,293	$ 36,529	$ 393,177
VARIABLE COSTS													
FOOD Purchases	$ 7,119	$ 5,786	$ 6,466	$ 6,394	$ 10,191	$ 10,758	$ 20,112	$ 13,946	$ 10,615	$ 8,662	$ 7,904	$ 8,294	$ 116,248
LBW Purchases	$ 2,600	$ 2,436	$ 3,777	$ 2,119	$ 5,963	$ 3,442	$ 5,760	$ 3,818	$ 3,747	$ 2,206	$ 3,524	$ 3,253	$ 42,644
Payroll	$ 12,817	$ 9,273	$ 10,460	$ 10,822	$ 21,793	$ 18,645	$ 25,471	$ 23,598	$ 18,123	$ 16,239	$ 7,582	$ 5,200	$ 180,023
Payroll Taxes	$ 3,845	$ 2,782	$ 3,138	$ 3,246	$ 6,538	$ 5,593	$ 7,641	$ 7,079	$ 5,437	$ 4,872	$ 2,275	$ 1,560	$ 54,007
Total Variable Cost	$ 26,381	$ 20,277	$ 23,842	$ 22,582	$ 44,485	$ 38,438	$ 58,984	$ 48,441	$ 37,922	$ 31,979	$ 21,284	$ 18,307	$ 392,922
Gross Profit	$ (3,714)	$ (5,544)	$ (4,140)	$ 1,272	$ (13,207)	$ 8,146	$ (3,885)	$ 3,138	$ (1,308)	$ 2,415	$ (2,991)	$ 18,222	$ (1,598)
Expenses													
Advertising & Marketing	$ 1,228	$ 210	$ 648	$ 55	$ 55	$ 300	$ 420	$ 150	$ 459	$ -	$ 300	$ 300	$ 3,525
Printing and Photocopying	$ -	$ -	$ 411	$ -	$ -	$ 80	$ 129	$ 110	$ -	$ 66	$ 25	$ -	$ 821
Dues, Membership, subscriptions	$ -	$ -	$ 235	$ 375	$ -	$ -	$ -	$ -	$ -		$ -	$ 100	$ 710
Consumables/Supplies	$ 1,008	$ 936	$ 837	$ 763	$ 793	$ 1,696	$ 1,717	$ 2,079	$ 1,468	$ 1,787	$ 339	$ 300	$ 13,724
Maintenance and Repairs	$ 759	$ 770	$ 1,128	$ 908	$ 19	$ 365	$ 285	$ 65	$ 597	$ 614	$ 650	$ 815	$ 6,975
FF&E/Small wares replacement	$ 458	$ 235	$ -	$ 1,088	$ (100)	$ 945	$ 33	$ -	$ -	$ 32	$ -	$ -	$ 2,691
Disability paid family leave (ShelterPoint)	$ 1,191	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,191
Property/business Insurance (Selective)	$ 1,706	$ 1,596	$ 1,560	$ -	$ -	$ -	$ 1,507	$ 1,596	$ 1,601	$ 1,601	$ 1,601	$ 1,601	$ 14,368
Key man life insurance	$ 341	$ 439	$ 148	$ 491	$ 200	$ 279	$ 279	$ 108	$ 341	$ 234	$ 234	$ 234	$ 3,328
Workmen's Comp (Selective)	$ 271	$ 273	$ 271	$ 271	$ -	$ -	$ 40	$ 266	$ 266	$ 266	$ 266	$ 266	$ 2,457
Payroll processing	$ 156	$ 146	$ 146	$ 107	$ 99	$ 165	$ -	$ 175	$ 136	$ 126	$ 130	$ 130	$ 1,516
Snow Removal Lawn Care	$ 650	$ 650	$ 325		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 650	$ 2,275
Accounting Fees	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 5,904
Legal Fees					$ -	$ -							$ -
Licenses & Fees	$ 19	$ 19	$ 19	$ 430	$ 296	$ 170	$ 19	$ 19	$ 19	$ 450	$ 19	$ 19	$ 1,498
Rent-property and Storage	$ 190	$ 190	$ 3,190	$ 190	$ 466	$ 190	$ 190	$ 176	$ 176	$ 176	$ 176	$ 176	$ 5,486
Rent Kitchen and bar dishwahser	$ 482	$ 503	$ 504	$ 17	$ 504	$ 208	$ 504	$ 612	$ 504	$ 504	$ 504	$ 504	$ 5,350
Pest Control (natures Way)	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 1,020
Laundry (Unifirst)	$ 165	$ 155	$ 150	$ 218	$ 189	$ 191	$ 209	$ 235	$ 228	$ 248	$ 200	$ 200	$ 2,387
Utilities/electric	$ 1,330	$ 2,037	$ 1,519	$ 756	$ 864	$ 1,245	$ 2,045	$ 1,766	$ 1,712	$ 1,285	$ 1,120	$ 1,000	$ 16,678
Trash Pickup	$ -	$ 183	$ 98	$ -	$ 123	$ -	$ 159	$ 239	$ 157	$ 117	$ 110	$ 110	$ 1,296
Spectrum Mobile phones	$ -	$ 112	$ 112	$ 112	$ 112	$ 155	$ 138	$ 268	$ -	$ 134	$ 139	$ 139	$ 1,422
Spectrum Internet	$ 341	$ 247	$ 247	$ 247	$ 247	$ 305	$ 247	$ 247	$ 295	$ 295	$ 295	$ 295	$ 3,307
Propane	$ 1,799	$ 1,646	$ 1,693	$ -	$ 1,282	$ 818	$ 791	$ 732	$ 880	$ 1,089	$ 1,520	$ 1,200	$ 13,450
POS support (Software & Apps)	$ 844	$ 844	$ 844	$ 844	$ 944	$ 944	$ 944	$ 944	$ 944	$ 944	$ 670	$ 670	$ 10,380
Security	$ -	$ 193	$ 124	$ -	$ 193	$ -	$ -	$ 179	$ -	$ -	$ 179	$ -	$ 867
Vehicle expense	$ 53	$ 244	$ 74				$ 49	$ 17		$ 82			$ 518
Total Expenses	$ 13,568	$ 12,204	$ 14,159	$ 7,450	$ 6,862	$ 8,634	$ 10,282	$ 10,560	$ 10,360	$ 10,626	$ 9,054	$ 9,286	$ 123,744
Loans													
AEDC	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
NCA	$1,684	$1,684	$1,684	$1,684	$1,684	$1,684	$0	$0	$0	$0	$0	$0	$ 10,104
LCLG RPG	$976	$976	$976	$976	$976	$976	$976	$976	$976	$976	$976	$976	$ 11,712
IDA	$2,205	$2,205	$2,205	$2,205	$2,205	$2,205	$0	$0	$0	$0	$0	$0	$ 13,230
Owner Contributions													$ -
Dividends/Draws	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
Total draws and loan repayment	$ 4,865	$ 4,865	$ 4,865	$ 4,865	$ 4,865	$ 4,865	$ 976	$ 976	$ 976	$ 976	$ 976	$ 976	$ 35,046
Total monthly fixed expenses	$ 18,433	$ 17,069	$ 19,724	$ 12,315	$ 11,727	$ 13,499	$ 11,258	$ 11,536	$ 11,336	$ 11,602	$ 10,030	$ 10,262	$ 158,790
Net Income	$ (22,147)	$ (22,613)	$ (23,864)	$ (11,043)	$ (24,935)	$ (5,354)	$ (15,141)	$ (8,398)	$ (12,643)	$ (9,187)	$ (13,021)	$ 7,960	$ (158,534)

40%	between 28-35%	
32%		
60%	Under 30%	

Paper & Pencil Restaurant
2027 Forecast

	January	February	March	April	May	June	July	August	September	October	November	December	
SALES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Food Sales	$ 20,000	$ 18,000	$ 17,803	$ 19,250	$ 31,525	$ 35,432	$ 51,000	$ 45,000	$ 32,275	$ 25,989	$ 12,575	$ 24,408	**333,257.69**
LBW Sales	$ 12,000	$ 7,500	$ 8,325	$ 11,275	$ 12,225	$ 13,687	$ 23,000	$ 21,000	$ 14,850	$ 11,156	$ 8,546	$ 16,705	**160,268.82**
Not categorized/Event/ retail	$ 200	$ 150	$ 400	$ 250	$ 1,536	$ 2,343	$ 1,500	$ 3,371	$ 1,000	$ 4,000	$ -	$ -	**14,750.42**
Gross sales	$ 32,200	$ 25,650	$ 26,529	$ 30,775	$ 45,286	$ 51,462	$ 75,500	$ 69,371	$ 48,125	$ 41,145	$ 21,121	$ 41,113	**508,276.93**
Credit Card Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales tax at 8%	$ (2,576)	$ (2,052)	$ (2,122)	$ (2,462)	$ (3,623)	$ (4,117)	$ (6,040)	$ (5,550)	$ (3,850)	$ (3,292)	$ (1,690)	$ (3,289)	$ (40,662)
Net Sales	$ 29,624	$ 23,748	$ 24,406	$ 28,313	$ 43,198	$ 49,689	$ 70,960	$ 67,193	$ 45,275	$ 41,853	$ 19,431	$ 37,824	$ 467,715
VARIABLE COSTS													
FOOD Purchases	6,000	5,400	5,775	5,341	9,458	10,630	15,300	13,500	9,683	7,797	3,773	7,322	$ 99,977
LBW Purchases	$ 3,360	$ 2,100	$ 3,157	$ 2,331	$ 3,423	$ 3,832	$ 6,440	$ 5,880	$ 4,158	$ 3,124	$ 2,393	$ 4,677	$ 44,875
Payroll	$ 11,270	$ 8,978	$ 9,285	$ 10,771	$ 15,850	$ 13,380	$ 19,630	$ 18,037	$ 12,513	$ 12,344	$ 7,392	$ 14,390	$ 153,838
Payroll Taxes	$ 3,494	$ 2,783	$ 2,878	$ 3,339	$ 4,913	$ 4,148	$ 6,085	$ 5,591	$ 3,879	$ 3,826	$ 2,292	$ 4,461	$ 47,690
Total Variable Cost	$ 24,124	$ 19,261	$ 21,095	$ 21,782	$ 33,644	$ 31,990	$ 47,455	$ 43,008	$ 30,232	$ 27,090	$ 15,849	$ 30,850	$ 346,381
Gross Profit	$ 5,700	$ 4,487	$ 3,311	$ 6,531	$ 9,554	$ 17,699	$ 23,505	$ 24,185	$ 15,043	$ 14,763	$ 3,582	$ 6,974	$ 135,334
Expenses													
Advertising & Marketing	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 180	$ 2,160
Printing and photocopying	$ 25	$ -	$ 25	$ 200	$ -	$ 25	$ -	$ -	$ 200	$ 25	$ -	$ -	$ 500
Dues, Membership	$ -	$ -	$ 235	$ 375	$ -	$ -	$ -	$ -	$ -		$ -	$ 100	$ 710
Consumables/Supplies	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 9,600
Maintenance and Repairs	$ 100	$ 200	$ 200	$ 908	$ 350	$ 400	$ 400	$ 400	$ 200	$ 614	$ 650	$ 815	$ 5,237
FF&E/Small wares replacement	$ -	$ -	$ -	$ 500	$ 600	$ 600	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,700
Disability paid family leave (ShelterPoint)	$ 1,191	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,191
Property/business Insurance (Selective)	$ 1,706	$ 1,596	$ 1,560	$ -	$ -	$ -	$ 1,507	$ 1,596	$ 1,601	$ 1,601	$ 1,601	$ 1,601	$ 14,368
Key man life insurance	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 3,000
Workmen's Comp (Selective)	$ 271	$ 273	$ 271	$ 271	$ -	$ -	$ 40	$ 266	$ 266	$ 266	$ 266	$ 266	$ 2,457
Payroll processing	$ 156	$ 146	$ 146	$ 107	$ 99	$ 165	$ -	$ 175	$ 136	$ 126	$ 130	$ 130	$ 1,516
Snow Removal Lawn Care	$ 650	$ 650	$ 325		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 650	$ 2,275
Accounting Fees	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 492	$ 5,904
Legal Fees					$ -	$ -							$ -
Licenses & Fees	$ 19	$ 19	$ 19	$ 430	$ 296	$ 170	$ 19	$ 19	$ 19	$ 450	$ 19	$ 19	$ 1,498
Rent-property and Storage	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 176	$ 2,110
Equipment rent dishwashers	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 504	$ 6,048
Pest Control (natures Way)	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 85	$ 1,020
Laundry (Unifirst)	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 2,400
Utilities/electric	$ 1,330	$ 2,000	$ 1,520	$ 755	$ 900	$ 1,250	$ 2,050	$ 1,765	$ 1,720	$ 1,285	$ 1,000	$ 1,000	$ 16,575
Trash Pickup	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 110	$ 1,320
Spectrum Mobile phones	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 139	$ 1,668
Spectrum Internet/phone/TV	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 277	$ 3,324
Propane	$ 1,800	$ 1,700	$ 1,700	$ 1,200	$ 1,300	$ 1,000	$ 1,000	$ 800	$ 900	$ 1,080	$ 1,080	$ 1,200	$ 14,760
POS support	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 670	$ 8,040
Security	$ 192	$ -	$ -	$ 192	$ -	$ -	$ 192	$ -	$ -	$ -	$ -	$ -	$ 768
Total Expenses	$ 11,322	$ 10,467	$ 9,883	$ 8,821	$ 7,428	$ 7,493	$ 9,091	$ 8,904	$ 8,925	$ 9,522	$ 8,629	$ 9,664	$ 110,148
AEDC	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
NCA	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$ 6,000
LCLG RPG	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$ 6,000
IDA	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$ 6,000
Owner Contributions													$ -
Dividends/Draws	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
Total draws and loan repayment	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 18,000
Total monthly fixed expenses	$ 12,822	$ 11,967	$ 11,383	$ 10,321	$ 8,928	$ 8,993	$ 10,591	$ 10,404	$ 10,425	$ 11,022	$ 10,129	$ 11,164	$ 128,148
Net income	$ (7,122)	$ (7,480)	$ (6,972)	$ (3,790)	$ 626	$ 8,706	$ 12,914	$ 13,781	$ 4,618	$ 3,741	$ (6,547)	$ (4,190)	$ 7,186

Optional distrubution of available funds based on prorated monthly payments													
NCA	519.35	519.35	519.35	519.35	519.35	519.35	519.35	519.35	519.35	519.35	519.35	519.35	
LCLG RPG	300.95	300.95	300.95	300.95	300.95	300.95	300.95	300.95	300.95	300.95	300.95	300.95	
IDA	679.70	679.70	679.70	679.70	679.70	679.70	679.70	679.70	679.70	679.70	679.70	679.70	

2,205.08	45%	679.70
976.33	20%	300.95
1,684.87	35%	519.35
4,866.28		$ 1,500

30%	between 28-35%
28%	Under 20%
42%	Under 30%