RESOLUTION TO APPROVE CONSTRUCTION LOAN FOR 791 RIVER STREET

A regular meeting of the Troy Community Land Bank Corporation (the “TCLB”) was convened in public session at City Hall located at 433 River Street, 5th Floor in the City of Troy, Rensselaer County, New York on December 18, 2019 at 8:30 a.m. o’clock local time, local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:
Heather King
Suzanne Spellen
Sharon Nichols
Brian Barker
Andrew Cooper
Jeanette Nicholson
John Cubit
John Carmello

Chair
Vice-Chair
Treasurer
Secretary
Member
Member
Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Anthony Tozzi
Catherine Hedgeman, Esq.

Chief Executive Officer
Agency Counsel

The following resolution was offered by Brian Barker, seconded by Jeanette Nicholson, to wit:

RESOLUTION AUTHORIZING THE APPLICATION FOR A CONSTRUCTION LOAN FOR THE CONSTRUCTION OF 791 RIVER STREET

WHEREAS, the mission of the TCLB is to redevelop vacant, abandoned and under-utilized properties through community partnerships and strategic planning; and

WHEREAS, the TCLB for the purpose of carrying out its mission, seeks to make an application for the necessary capital in the form of a Construction Loan from Pioneer Bank to complete the rehabilitation project at 791 River Street; and

WHEREAS, Pioneer Bank has proposed certain terms and conditions for obtaining a Construction Loan as more fully set forth in the attached proposal and term sheet; and

WHEREAS, the staff and Board of the TCLB has had the opportunity to review said terms and
believes that it is in the best interest of the TCLB to make an application for a Construction Loan for completion of the rehab on 791 River Street with Pioneer Bank; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY COMMUNITY LAND BANK, AS FOLLOWS:

Section 1. The TCLB hereby finds and determines as follows:

(A) The TCLB hereby approves all the terms and conditions of the Construction Loan as more fully set forth in the attached proposal and term sheet; and

(B) The TCLB by and through its Executive Director and Board Chairman are authorized to make an application for, and borrow up to the amount of the lesser of $226,000 or Seventy (70) percent of the “as complete” appraised value of 791 River Street; and

(C) The Executive Director, Chairman and General Counsel are hereby authorized to apply for and execute any documents required to secure the Construction Loan.

(D) This Resolution shall be effective immediately upon passage.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Heather King, VOTING
Suzanne Spellen, VOTING
Sharon Nichols, VOTING
Brian Barker, VOTING
Andrew Cooper, VOTING
Jennette Nicholson, VOTING
John Cubit, VOTING
John Carmello, VOTING

The foregoing Resolution was thereupon declared duly adopted.
STATE OF NEW YORK              )
COUNTY OF RENSSELAER           ) SS.

I, the undersigned Secretary of the Troy Community Land Bank (the “TCLB”), DO HEREBY
CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members
of the Agency, including the Resolution contained therein, held on December 18, 2019 with the original
thereof on file in my office, and that the same is a true and correct copy of said original and of such
Resolution contained therein and of the whole of said original so far as the same relates to the subject
matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B)
said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open
Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said
meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the
members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect
and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this
___ day of December, 2019.

[Signature]
Secretary

(SEAL)
EXHIBIT A

Construction Loan Term Sheet

- SEE ATTACHED -
December 5, 2019

Anthony Tozzi
Troy Community Land Bank Corporation
200 Broadway Suite 204
Troy, NY 12180

RE: Pioneer Bank Loan to Troy Community Land Bank Corporation

Dear Anthony:

We are pleased to inform you that Pioneer Bank (hereinafter referred to as the "Bank") has approved the following loan facility to Troy Community Land Bank Corporation subject to the hereinafter described conditions (the "Commitment"): 

Borrower: Troy Community Land Bank Corporation

Guarantors: N.A.

Loan Amount: The lesser of $226,000 or 70% of the "as complete" appraised value of the collateral premises known as 791 River Street, Troy, New York (the "Premises").

Loan proceeds to be used to fund construction at the Premises and related costs.

Interest Rate: Floating at the Prime Rate (as published by the Wall Street Journal) plus .50%

There will be an interest rate floor of 5.00% at all times.

Loan Term: Twelve (12) months.

Repayment: Monthly interest only payments will be required with the principal balance of the loan paid on the maturity date.

Prepayment Penalty: Not Applicable

Commitment Fee: Waived.
Security for the Loan: The collateral for the loan shall be:

(a) A first position mortgage lien on the Premises and assignment of leases and rents.

(b) An assignment of all contracts, permits and plans regarding the construction project.

(c) Such other documents as may be requested by Bank at or prior to the date of closing.

Financial Covenants: None.

Disbursement Procedures for Loan: All funds disbursed under the loan shall be subject to a building loan agreement, which shall contain such terms, covenants, and conditions and otherwise be in form, substance and execution as shall be satisfactory to Bank, including without limitation, the following:

Draw Request: If required by the Bank, all requests for disbursements of funds shall be submitted on standard AIA application for payment forms which shall have costs consistent with the final project cost breakdown accepted by the Bank in aggregate total and itemization. Each draw request shall be signed by the Borrower and shall be approved in writing by the Bank at a cost to the Borrower.

Affidavits/Lien Waivers: Borrower shall submit an affidavit with all draw requests, certifying all outstanding balances due but unpaid for work-in-place for the project. With each draw request, Borrower shall deliver to Bank waivers of liens from contractors in the respective sum received by each such contractor for all of the Borrower’s preceding draw requests.

Inspections: All inspections shall be completed by Bank or an agent for Bank who may require further information, including, but not limited to, documents such as contracts for invoices, to complete the analysis of the draw request. The cost of this inspection shall be paid directly by Borrower.
**Disbursements:** All disbursements shall be made approximately five (5) business days after receipt of all information required by Bank to approve the requested disbursements. Funds will be disbursed directly to Borrower upon Bank approval, provided, however, Bank reserves the right to pay individual contractors directly or by check jointly payable to Borrower and any such contractor should circumstances warrant, in Bank’s sole discretion.

**Limits on Advances and Retainage:** If at any time the cost to complete construction of the Project exceeds the available loan proceeds, the Bank shall cease funding and Borrower shall be required to immediately fund such additional amount to bring the loan “in balance” as determined by the Bank.

**Non-Assignability Of Commitment:**
This Commitment is made exclusively to the Borrower and is not assignable nor transferable voluntarily or involuntarily and any such assignment or transfer shall be null and void and shall result in this Commitment being automatically and simultaneously terminated.

**Commitment Expiration:**
This Commitment is open for acceptance until 5:00 P.M. eastern time on December 20th, 2019. If it is not accepted and returned to the Bank by that date, the Commitment shall immediately become null and void without further notice.

**Date of Closing:**
The loans shall be closed on or before January 31st, 2020 or this Commitment shall immediately become null and void without further notice unless extended in writing by the Bank.

**Late Charges:**
Six percent (6%) of each dollar of any delinquent payment not paid on any loan within fourteen (14) days after its due date.

**Default Rate:**
In the event of any default on any of the loans, at the option of the Bank, the rate of interest shall be adjusted to the default rate of interest which shall be equal to four (4%) percentage points above the interest stated above.
Expenses: The Borrower shall pay all costs and expenses associated with the loans, including (by way of illustration and not limitation): legal fees, mortgage recording taxes and fees, title insurance costs, survey fees, appraisal fees, environmental audit and site inspection fees, and any and all other costs of the Bank in connection with this Commitment and the closing of the loans regardless of whether the loans close.

Closing Conditions:

1. Receipt of items requested by Bank’s counsel (under separate cover).

2. Proof of receipt of grant totaling at least $150,000.00.

3. Receipt of satisfactory appraisal.

4. Receipt of satisfactory environmental questionnaire.

5. Flood zone determination.

6. Receipt of satisfactory insurance (hazard, builder’s risk, liability and flood, if required).

7. Receipt of corporate formation documents for Borrower and certificate of good standing.

8. Receipt of satisfactory title insurance.

9. Survey of the Premises certified to “Pioneer Bank, its successors and assigns”, the title insurance company and Borrower.

Other Conditions: None.

Additional Ongoing Loan Conditions:
1. Borrower agrees that within 120 days of each year-end (or extension thereof), it will render to the Bank copies of its tax returns (with all schedules) which shall be in a form satisfactory to the Bank and shall be prepared by an independent public accountant satisfactory to the Bank.

2. Annual submission of a rent roll and corresponding leases.

3. Until the Loan is paid in full, the Borrower shall not, without the prior written consent of the Bank, create, effect, consent to, attempt, contract for, agree to make, suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation of the Premises or its assets.

4. There being no material adverse change in Borrower’s financial condition.

5. In the event of the occurrence and continuance on or after the date hereof, of any event or condition which the Bank reasonably believes would or might (1) have any material adverse effect on a Borrower, any of guarantor, any of the collateral, or the business, assets and/or financial condition of a Borrower or a guarantor; (2) render the collateral less valuable than the Bank had determined it to be; or (3) cause to the Bank to deem itself insecure in making any credit facility available hereunder, the Bank shall be free to unilaterally terminate this commitment without further obligation.

No statements, agreements or representations, oral or written, that may have been made either by the Bank or by an employee, agent or broker acting on behalf of the Bank with respect to this Commitment or the Loan, shall be of any force or effect except to the extent stated in this letter, and all prior agreements and representations with respect to this letter and the loans are merged herein so that this letter shall contain the entire agreement with respect to the loans. This letter may not be changed, except by written agreement signed by the Borrower, any guarantor and the Bank.

The Bank’s obligation under this Commitment shall be subject to the satisfactory compliance by the Borrower with all of the conditions contained herein. The issuance of this Commitment shall not prejudice the Bank’s rights of review and approval, including without limitation, with respect to leases, documents and materials heretofore delivered to the Bank by or on behalf of the Borrower. This Commitment shall not be binding upon the Bank unless it is accepted in writing before the Commitment Expiration.
Bank Attorney: All documents and other matters relating to or arising out of this commitment will be subject to the approval of the Bank attorney:

Mathew P. Barry  
Harris Beach PLLC  
677 Broadway  
Albany, New York 12207  
518-701-2768  
mbarry@harrisbeach.com

Very truly yours,  
PIONEER BANK  
BY: ________________

Jason Urschel  
Business Banking Relationship Manager

AGREED, ACCEPTED AND ACKNOWLEDGED

this ___ day of ___________, 2019.

BORROWER: Troy Community Land Bank Corporation

________________________________________
By: ________________________________
Title: ________________________________
Attorney Contact:
Name: ________________________________
Phone: ________________________________
Email: ________________________________