

## **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN IN ACCORDANCE WITH A RESOLUTION ADOPTED BY THE QUEENSBURY TOWN BOARD ON MONDAY, NOVEMBER 2<sup>ND</sup>, 2020, THAT THE TOWN BOARD WILL CONDUCT A PUBLIC HEARING ON MONDAY, DECEMBER 7<sup>TH</sup>, 2020 AT 7:00 P.M. AT THE QUEENSBURY ACTIVITIES CENTER, 742 BAY ROAD, QUEENSBURY TO CONSIDER THE SOUTH QUEENSBURY VOLUNTEER FIRE COMPANY, INC.'S (FIRE COMPANY) PROPOSAL TO MAKE CERTAIN RENOVATIONS TO ITS FIREHOUSE LOCATED AT 409 DIX AVENUE, QUEENSBURY, NEW YORK FOR THE APPROXIMATE TOTAL PRINCIPAL SUM NOT TO EXCEED \$2,500,000 AND THE FIRE COMPANY'S TAX-EXEMPT FINANCING. THE FIRE COMPANY WILL FINANCE THE RENOVATIONS WITH A TAX-EXEMPT LOAN IN THE MAXIMUM AMOUNT OF \$2,500,000 OVER 26 YEARS. THE AREA PROTECTED BY THE FIRE COMPANY IS ALL OF THE GEOGRAPHICAL TERRITORY OF THE TOWN OF QUEENSBURY SET FORTH IN THE CURRENT FIRE PROTECTION SERVICES AGREEMENT BETWEEN THE TOWN OF QUEENSBURY AND THE FIRE COMPANY.

ALL PARTIES IN INTEREST AND THE CITIZENS WILL BE GIVEN THE OPPORTUNITY TO BE HEARD AND INFORMATION CONCERNING THE PROPOSAL IS AVAILABLE FOR INSPECTION WITH THE QUEENSBURY TOWN CLERK, 742 BAY ROAD, QUEENSBURY, NEW YORK 518)761-8234 AND ON-LINE AT [WWW.QUEENSBURY.NET](http://WWW.QUEENSBURY.NET).

BY ORDER OF THE QUEENSBURY TOWN BOARD.

**PUBLICATION DATE: NOVEMBER 6TH, 2020**

**CAROLINE H. BARBER  
TOWN CLERK  
TOWN OF QUEENSBURY**

September 28, 2020

Jon DeVaux, President  
South Queensbury Volunteer Fire Company Incorporated  
409 Dix Avenue  
Queensbury, NY 12804

Dear Mr. DeVaux:

I am pleased to inform you that Glens Falls National Bank and Trust Company (the "Bank") has approved your request for financing as indicated below.

The credit facility will include the basic terms and conditions set forth below. The following terms and conditions are not intended to be exhaustive, since final documentation of the credit facility will require further discussions and approval by the Bank and Borrower's legal counsel.

**GENERAL TERMS**

- Borrower:** South Queensbury Volunteer Fire Company Incorporated
- Guarantors:** None.
- Amount:** Up to \$2,500,000 construction to permanent mortgage, limited to the lesser of 100% of the total project costs or 65% of the "as-complete" appraised value.
- Purpose:** Provide funds for renovations and soft costs associated with the subject property as well as construct a new storage building.
- Term:** 26 years
- Construction Period: Up to 12 months
  - Permanent Period: 25 years with 25 year amortization
- Rate:** Option 1: Tax exempt rate to be calculated three days prior to closing as follows: Fixed for 5 years at the 5 year FHLBNY Regular Fixed Advance Rate plus 2.75%, multiplied by 80%; adjusting thereafter at 5 year intervals using the same calculation.
- Option 2: Tax exempt rate to be calculated three days prior to closing as follows: Fixed for 10 years at the 10 year FHLBNY Regular Fixed Advance Rate plus 2.75%, multiplied by 80%; adjusting thereafter at 10 year intervals using the same calculation.
- Tax Exempt Status:** The Interest Rate detailed in this commitment is predicated upon the Bank being able to categorize this loan as a "tax-exempt" obligation for Federal Income Tax purposes.
- If at any time while the Loan remains unpaid, the Bank subsequently must recognize the interest income as taxable, the Interest Rate will change simultaneously with the change in classification to a taxable equivalent interest rate.

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In the event a tax-exempt option is elected, the borrower is to provide an opinion from its legal counsel that the Borrower is qualified small issuer as defined by the Internal Revenue Service.

In order to provide tax-exempt rates, the Bank must be satisfied that it is able to categorize this loan as a tax-exempt obligation for Federal income tax purposes.

**Commitment**

**Fee:** A non-refundable commitment fee of \$7,500 will be due and payable upon acceptance of this commitment.

**Application**

**Fee:** A non-refundable application fee of \$6,000 will be due and payable upon acceptance of this commitment and to be applied towards closing costs. *(Satisfied)*

**Prepayment**

**Penalty:** The loan will be subject to a prepayment fee of 2% of the original loan amount if paid within years one and two, 1.5% of the original loan amount if paid within years three and four, and 1% of the original loan amount if paid within years five and six; and none thereafter.

**Payments:** Monthly interest only payments during the 12 month construction period followed by monthly interest and principal payments in an amount sufficient to amortize the loan in full over 25 years. Interest shall be computed on the basis of a year consisting of 360 days and paid for actual days elapsed.

**Late Payments:** Borrower will have a grace period of 10 days within which to make payments due on the loan. Any payment made thereafter shall be subject to a 5% late charge. In the event of a default (as defined in the loan documents), the interest rate shall be increased to 16% per annum during the period of default.

**Auto**

**Transfer:** Throughout the term of the Loan, Borrower agrees to make payments to the Bank by automatic transfer and/or debit through the automated clearinghouse funds ("ACH") system. At closing Borrower will execute and deliver the Bank's standard ACH form for the Loan.

**COLLATERAL REQUIREMENTS**

**Collateral:** First mortgage on real property located at 409 Dix Avenue, Queensbury, NY.

An Assignment of Rents and Leases associated with the property: An assignment of all the Borrower's right, title and interest in and to all leases now or hereafter in existence, together with all rents to be paid thereunder.

A first security interest in all Borrower's assets, including fixtures, equipment, leasehold improvements, chattel paper and articles of personal property located at or used in the operation of the subject real property whether now owned or hereafter acquired.

**Appraisal:** This loan commitment is subject to receipt of a current real estate appraisal on the property to secure the proposed financing with a minimum "as-complete" appraised value of \$3,846,153. If the value is less, the Bank will loan a maximum of 65% of the value. The appraisal is to be ordered by the Bank, and is subject to satisfactory review by the Bank. The appraisal fee will be paid to the Bank by the Borrower upon acceptance of this Commitment. The Borrower shall also bear the cost and expense of any additional appraisals that may be required during the term of the loan, but not more than once in a 12-month period. *(Satisfied)*

**Insurance:** Flood determinations will be ordered on the subject property. Should flood insurance be required for the subject property, you will be notified of same prior to closing and you must provide the following: verification that adequate flood insurance has been purchased and the policy is in effect as of the date of closing. The coverage must equal the lower of the maximum required by the National Flood Insurance Program, the minimum amount required under the terms of coverage to compensate for damage or loss on a replacement cost basis, or the unpaid balance of the mortgage if replacement cost compensation is not

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available. The policy must name "Glens Falls National Bank & Trust Company, its successors and/or assigns, as their interests may appear" as mortgagee. It should also list the Bank address as PO Box 150, Northville, NY 12134.

Receipt of general insurance evidence or policies, satisfactory to the Bank, at least three (3) days prior to scheduled loan closing. Policies of fire, liability, extended coverage, and such other hazard insurance as this Bank may require, are to be delivered to the Bank with acceptable mortgage clauses and issued by a company satisfactory to the Bank in an amount equal to the mortgage loan or 100% replacement cost of the improvements, together with satisfactory receipt for premium payment. Policy must be with a company having a "B" or better general policyholder's rating as published in Best's Insurance Reports. The standard Acord binder is acceptable for closing provided the amount of insurance and annual premium is stated thereon. The mortgage endorsement is to read: "Glens Falls National Bank & Trust Company, its successors and/or assigns as their interests may appear, PO Box 150, Northville, NY 12134" for policies covering real estate collateral. Glens Falls National Bank & Trust Company is to be named as "lender's loss payable and additional insured" for policies covering non-real estate collateral. All policies are to include a 30-day notice of cancellation clause.

**Title Insurance:** Prior to closing, the Borrower will deliver a preliminary title report from a Title Insurance Company acceptable to the Bank which shall set forth a description of the property to be mortgaged and copies of all instruments which appear as exceptions.

At closing, the Borrower will deliver to the Bank, at Borrower's expense, an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the Bank and its counsel, issued by an insurer satisfactory to the Bank, together with such endorsements as the Bank may request, in a policy equal to the Loan, and subject only to such exceptions as are acceptable to the Bank. The Borrower will furnish the title company with such affidavits or indemnity agreements as the title company shall require to insure the Bank's liens as valid first priority.

**Survey:** A survey of the real property collateral by a licensed surveyor approved by the Bank reflecting all improvements thereon and all easements affecting the property is required prior to loan closing. The survey must be certified to the Bank, its successors and/or assigns, and the Title Insurer.

**Real Estate**

**Taxes:** The Borrower shall provide proof of payment of current period real estate taxes on the property to be mortgaged.

**Zoning & Use:** Evidence satisfactory to the Bank and counsel for the Bank that the Premises complies with all zoning statutes, rules and regulations governing use and operations of Premises.

**Environmental**

**Issues:** Evidence will be provided by the borrower as to whether or not the properties to be mortgaged are located within any area designated as a hazardous waste site by any federal, state, or governmental authority, and whether or not any hazardous or toxic waste or other materials regulated, controlled or prohibited by any federal, state, or local environmental law are located on the land. The Bank will require that the Borrower complete an Environmental Affidavit (see attached) 10 days prior to funding. The Bank will also require a Preliminary Transaction Screen. The Preliminary Transaction Screen is to be ordered by the Bank, and is subject to satisfactory review by the Bank. The Preliminary Transaction Screen fee will be paid to the Bank by the Borrower upon acceptance of this Commitment.

If in the Bank's opinion, or the Bank's Counsel's opinion, there is a question concerning a possible adverse finding of environmental hazard on the property to be mortgaged, the Bank will require what is commonly described as a Phase I Environmental Audit. Lender reserves the right to require updated audits, or site assessment reports from time to time at the Borrower's expense. If there is any adverse finding from that audit or under a Phase II Environmental Audit, this commitment will be immediately null and void and have no further force and effect. All expenses associated with the environmental issues described in this letter will be at the sole cost and expense of the Borrower.

**OTHER TERMS AND CONDITIONS**

**Financial:** CPA prepared audited financial statements for the Borrower will be provided to the Bank annually within 120 days of fiscal year end.

Borrower's annual board approved budget will be provided to the Bank annually.

A copy of the Town contract will be provided to the Bank upon each renewal.

**Conditions:** Any documentation associated with the tax exempt status will be provided to the Bank, and reviewed by the Bank's attorney, prior to closing.

Organizational documents for the Borrower will be provided to the Bank prior to closing. *(Satisfied)*

A borrowing resolution authorizing the proposed loan and a listing of the individual(s) authorized to sign the loan documents will be provided to the Bank prior to closing.

The Borrower will maintain a primary deposit account with the Bank for the term of the loan. No additional liens or encumbrances are to be placed on the collateral, unless with the express written consent by the Bank.

The Bank reserves the right to establish an escrow account for real estate taxes and insurance.

Ownership in any of the properties referenced herein may be transferred only with the Bank's written approval.

Shareholder/Membership interests in the borrower or guarantors will not change, through merger, sale or otherwise, without written consent of the Bank.

Proof of the issuance and effectiveness of all permits, licenses, and registrations required in connection with the use of the Mortgaged Premises.

Receipt of a copy of the current deed for the premises to be mortgaged.

Receipt of all current tax receipts.

Ten-year tax search.

Subject to other terms, covenants and conditions to be determined by Bank.

**Loan**

**Covenants:** #1: For the life of the loan, Borrower is to maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.00x, to be tested annually upon receipt of the Borrower's audited financial statements. The DSCR is calculated as:

$$\frac{\text{Net Income} + \text{Depreciation} + \text{Amortization} + \text{Interest Expense}}{\text{Annual Principal and Interest Payments on all Debt}}$$

#2: For the life of the loan, Borrower is to maintain a total annual debt service within the limit established in the applicable contract with the Town of Queensbury.

**Adverse  
Change:**

The Bank may terminate this Commitment if, except as may be otherwise provided herein, (a) the loan, or any other feature of the loan transaction has been or is misrepresented by Borrower in the loan application, or otherwise (b) any material adverse change shall occur with respect to the premises, the improvements, Borrower, any guarantor or indemnitor, or any other person or entity (including lessees) connected with the loan or any collateral for the loan or other source of repayment of the loan at any time prior to the closing

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of this loan, (c) any part of the premises shall have been taken in condemnation or other like proceeding, or any such proceeding is pending at the time of closing, or (d) Borrower, any guarantor or indemnitor, or any other person or entity (including lessees) connected with the loan or any collateral for the loan or other source of repayment of the loan shall be insolvent or involved in any arrangement, bankruptcy, reorganization or insolvency proceeding.

**Costs and Fees:** Borrower's acceptance of this Commitment shall constitute Borrower's unconditional agreement to pay all fees, commissions, costs, charges, taxes and other expenses incurred by the Bank in connection with this Commitment and the funding of the Loan, whether or not the Loan closes, including but not limited to appraisal fees, environmental audit fees, fees and charges for surveys, hazard insurance and bond premiums, mortgage taxes, transfer taxes and all recording fees and charges. In addition to the fees and other charges as set forth herein, Borrower's acceptance of this Commitment shall constitute an unconditional agreement to reimburse the Bank for the fee charged by the attorneys selected by the Bank for the review of the loan documents prepared or submitted by or at the direction of the Borrower's attorney. In addition thereto, Borrower, by executing this Commitment, is requesting the Bank to have the attorneys retained by the Bank prepare various loan documents, including but not by way of limitation, the promissory notes, mortgages and affidavits, together with any required assignments of rent, and agrees to reimburse the Bank for the attorney fees incurred in connection therewith, whether or not the loan closes.

**Survival of**

**Commitment:** The terms of this Commitment and any attachments survive the closing of the loan and the execution and delivery of the Loan Documents. In the event of any inconsistency or conflict between any provisions of this Commitment, any attachments, and other Loan Documents, the provisions of the other Loan Documents prevail and apply.

**Construction**

**Requirements:** If this Commitment has been issued in conjunction with a construction project, please refer to the attached Exhibit 1 -- Construction Loan Requirements for additional mandatory provisions.

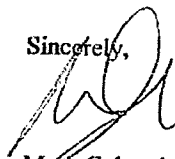
**Confidentiality:** The terms of this Commitment may not be disclosed to any other party without the prior written consent of the Bank in each instance.

If you are in agreement with the terms outlined above please sign and return this letter, along with the required fees, to me within ten (10) days from the date hereof after which this Commitment shall be considered withdrawn and shall be of no further force and effect. A copy is enclosed for your file.

This Commitment is conditioned on the closing of the loan not later than 60 days from the date hereof, and the obligation of the Bank to close the loan terminates on that date. In no event shall the Bank be required to close the loan after such date, nor will the Bank be obligated to refund any fees paid pursuant to this Commitment.

Thank you for utilizing Glens Falls National Bank and Trust Company for your financing needs. Should you have any questions or comments, please feel free to contact your closing coordinator, Yuliya Sidarovich at 518-415-4501 or [Yuliya.sidarovich@arrowbank.com](mailto:Yuliya.sidarovich@arrowbank.com).

Sincerely,

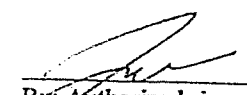


Mark Galough  
Vice President

Commitment Letter  
South Queensbury Volunteer Fire Company Incorporated

AGREED AND ACCEPTED:

Borrower: South Queensbury Volunteer Fire Company Incorporated

  
By: Authorized signer

Title: President

Date: 10/3/2020

Please indicate below if you are being represented by an attorney for this transaction by including their name and contact information.

Attorney's name: \_\_\_\_\_

Telephone #: \_\_\_\_\_

cc: William Fitzgerald, GFNB Counsel

**Exhibit 1 – Construction Loan Requirements**  
*South Queensbury Volunteer Fire Company Incorporated*

1. The Bank will provide up to 12 months of interest only during the construction phase of this project. At the end of this period, the loan balance will automatically convert to equal payments of principal and interest sufficient to retire the debt over the remaining amortization period of the loan.
2. A Builders' Risk Insurance Policy acceptable to the Bank will be required during the construction term.
3. Prior to the closing of the Loan, the Bank shall require, at the expense of the borrower, an engineer's/architect's/construction consultant's report based on their review of the project and all related contracts, schedule of values, and plans and specifications to confirm that the Borrower's projected budget is sufficient to complete the Project. The Bank shall, at the sole expense of the Borrower, have the Project inspected from time to time, at such intervals as may be acceptable to the Bank, by an architect, engineer, or construction consultant (hereinafter collectively referred to as "consultant") selected by the Bank in its sole discretion. All requests for advances will be reviewed and approved by such consultant at the Borrower's expense, and the borrower will cooperate fully with such consultant and provide the consultant with access to the real estate and the improvements thereon at all reasonable times. All fees, costs, and expenses shall be the sole responsibility of the borrower.
4. The Borrower shall furnish to the Bank a Certificate executed by the architect for the Project certifying to the Bank that the plans and specification for the construction of the Project are in compliance with all applicable building and zoning regulations, including all requirements of the Americans with Disabilities Act and the Fair Housing Act. The Certificate shall further state that the foundation prepared for the project meets the requirements set forth in the geotechnical report to be provided to the Bank as required herein.
5. Any proposed changes to the Construction Contract (Change Orders), prior to or during construction, must be approved by the Bank.
6. Loan advances shall be made in conjunction with a Building Loan Agreement. Each advance is subject to submission of AIA requisitions for payment, or other format acceptable to the Bank and the Bank's Inspecting Engineer, along with a satisfactory title run down and all appropriate waiver of liens forms.
7. In the event that the cost of construction is increased for any reason, so that it becomes evident to Lender that the funds of the Loan available to the Borrower, together with the Required Borrower Contribution, will not fully pay the cost of construction, then the Borrower, at the request of the Lender, shall advance sufficient additional sums of money to the construction account administered by Lender to provide for the full payment of the cost of construction. Equity funds from the Borrower or the Completion Guarantor may need to be contributed to the project ("Excess Construction Costs") in the event of increases in the project budget or cost overruns, if the total Hard Cost budget exceeds the original contract sum, or if increases occur to the individual line items within the Hard Cost budget so that insufficient funds are available in the Construction Loan to complete the project.
8. Prior to final disbursement, the construction project shall be completed in accordance with the plans and specifications, an unconditional Certificate of Occupancy and any other certificates, licenses, permits or approvals necessary to operate the borrower's business on the premises issued by the appropriate governmental or regulatory authority.
9. A first security interest and assignment of all plans, approvals, permits, and contracts associated with the project.
10. Submission of the following construction related documents is required prior to closing:
  - Final Plans and Specifications – Two (2) complete sets of the plans including site plan or survey and specifications signed and sealed by the Architect. Any material deviation from the approved plans and specifications must be approved by the Bank in writing. **(Architect)**
  - Soils Investigation Report – Subsurface investigation with Geotechnical Engineer's recommendations for the design of the foundations of the project. The Architect may perform this function if he/she can stipulate that they are familiar with the conditions and know the soil bearing capacity and have designed the footings

Borrower Initials: \_\_\_\_\_





in accordance with the soil bearing capacity. **(Architect or Geotechnical Engineer)**

- Construction budget – A complete line item budget breakdown in a standard format for all on and off site improvements. The Application and Certificate for payment submitted during the course of construction is to be in the AIA format or other format acceptable to the Bank. **(Contractor)**
- Construction schedule – The construction schedule should be presented to show total project and trade durations. **(Contractor)**
- Copy of the Building Permit for the project. **(Contractor)**
- A copy of the Architect or Engineer / Owner Contract, in the AIA format indicating fees, services, and responsibilities. **(Architect or Engineer)**
- General Contractor or Construction Manager acceptable to the Bank.
- A copy of the General Contract or Construction Manager Contract with the Owner in the AIA format indicating scope, duration, and terms of payment. **(Contractor)**
- Machinery and equipment proposal(s) listing all of the M & E required for the proposed project. The Closing Coordinator will handle the interim disbursements of the funds. **(Equipment Vendor)**
- Furniture & Fixture proposal(s) listing all items to be used in the proposed project. The Closing Coordinator will handle the interim disbursements of the funds. **(Furniture & Fixture Vendors)**
- All construction disbursements shall be subject to a 5% retainage pending completion of the project and Lender's satisfaction of all conditions met. **(Borrower)**
- Payment and Performance Bond – Prior to closing the Loan, the Bank shall be furnished a payment and performance bond guaranteeing completion of the improvements issued by a surety acceptable to the Bank containing a dual obligee rider. **(Contractor)**

Borrower Initials:

SD