

**SULLIVAN COUNTY FUNDING CORPORATION**

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Monticello, New York 12701  
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[www.scfundingcorp.com](http://www.scfundingcorp.com)  
TTY 711

**SPECIAL MEETING NOTICE**

**TO:** Suzanne Loughlin, Chairperson  
Edward Sykes, Vice Chairman  
Carol Roig, Secretary  
Howard Siegel, Treasurer & Chief Financial Officer  
Scott Smith, Assistant Treasurer  
Paul Guenther, Member  
Sean Brooks, Member  
Philip Vallone, Member  
Chairman and Members of the Sullivan County Legislature  
Josh Potosek, Sullivan County Manager  
John Kiefer, Agency Chief Executive Officer  
Walter Garigliano, Esq., Agency Counsel  
**FROM:** Jennifer Flad, Executive Director  
**DATE:** June 8, 2022

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**PLEASE TAKE NOTICE** that there will be a Special Meeting of the Sullivan County Funding Corporation scheduled as follows:

**DATE: Monday, June 13, 2022**

**TIME: 11:15 AM (immediately following the regular meeting of the County of Sullivan IDA)**

**LOCATION: Via Zoom Videoconference Call**

Because of the Novel Coronavirus (COVID-19) pandemic and in accordance with Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was most recently amended on May 15, 2022 and which allows state and local government meetings that are normally held in person to be held remotely instead, this meeting will be held via Zoom videoconference call.

Members of the public may attend the meeting by dialing **929-205-6099** and entering Meeting ID **678-518-8985** or by using the following meeting link: <https://us06web.zoom.us/j/6785188985>

This meeting will also be livestreamed on the Sullivan County Funding Corporation's [YouTube Channel](#).

Meeting documents will be posted on the Sullivan County Funding Corporation's website [here](#).

**PLEASE SEE REVERSE FOR AGENDA**

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**SPECIAL MEETING MONDAY, JUNE 13, 2022  
AGENDA**

- I. CALL TO ORDER**
  - II. ROLL CALL**
  - III. APPROVAL OF MEETING MINUTES**  
May 26, 2022 Special Meeting
  - IV. NEW BUSINESS**  
*Discussion and Approval:* Revised Millennium Revolving Loan Fund Guidelines  
Any and All Other Business Before the Board
  - V. PUBLIC COMMENT AND ADJOURN**
- ##**

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**548 Broadway**  
**Monticello, New York 12701**  
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**SPECIAL MEETING MINUTES**  
**May 26, 2022**

**I. CALL TO ORDER**

Chairperson Suzanne Loughlin called to order the special meeting of the Sullivan County Funding Corporation at approximately 11:01 AM via video conference.

**II. ROLL CALL**

**Members Present-**

Suzanne Loughlin  
Edward Sykes  
Carol Roig  
Howard Siegel  
Paul Guenther  
Phillip Vallone

**Members Absent-**

Scott Smith  
Sean Brooks

**Staff Present-**

John Kiefer, Chief Executive Officer  
Jennifer Flad, Executive Director  
Julio Garaicoechea, Project Manager

**Staff Absent-**

None

**Others Present-**

Walter Garigliano, General Counsel

**III. APPROVAL OF MEETING MINUTES**

On a motion made by Mr. Siegel, and seconded by Ms. Roig, the Board approved the minutes of the March 30, 2022 Special Meeting.

**IV. BILLS AND COMMUNICATIONS**

On a motion made by Mr. Sykes, and seconded by Mr. Guenther, the Board approved the schedule of payments showing 2 payments totaling \$7,279.16.

**V. QUARTERLY FINANCIAL REPORT**

On a motion made by Mr. Sykes, and seconded by Mr. Guenther, the Board approved the Quarterly Financial Report showing a total net position of \$971,524.00 as of March 31, 2022 and a net income of (\$8,157.00) for the period January 1, 2022 through March 31, 2022.

**VI. NEW BUSINESS**

On a motion made by Mr. Guenther, and seconded by Mr. Sykes, the Board discussed a resolution authorizing the execution and delivery of an Amended and Restated Indenture of Trust which amends and restates that certain Indenture of Trust dated as of December 1, 2011 by and between the Issuer and the Trustee (**The Center for Discovery, Inc.**). Mr. Siegel recused from discussion due to employer affiliation with The Center for Discovery, Inc. Chairperson Loughlin called the motion to question, the Board voted as follows, and the resolution was adopted:

Suzanne Loughlin	[ <input checked="" type="checkbox"/> ] Yes	[ <input type="checkbox"/> ] No	[ <input type="checkbox"/> ] Absent	[ <input type="checkbox"/> ] Abstain
Edward T. Sykes	[ <input checked="" type="checkbox"/> ] Yes	[ <input type="checkbox"/> ] No	[ <input type="checkbox"/> ] Absent	[ <input type="checkbox"/> ] Abstain
Howard Siegel	[ <input type="checkbox"/> ] Yes	[ <input type="checkbox"/> ] No	[ <input type="checkbox"/> ] Absent	[ <input checked="" type="checkbox"/> ] Abstain
Carol Roig	[ <input checked="" type="checkbox"/> ] Yes	[ <input type="checkbox"/> ] No	[ <input type="checkbox"/> ] Absent	[ <input type="checkbox"/> ] Abstain

Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Phil Vallone	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

**VII. PUBLIC COMMENT AND ADJOURNMENT**

Chairperson Loughlin asked those present for Public Comment. There was none. On a motion by Mr. Vallone and seconded by Mr. Guenther, the meeting was adjourned at approximately 11:19 AM.

Respectfully submitted:  
 Julio Garaicoechea, Project Manager

DRAFT

**SULLIVAN COUNTY  
FUNDING CORPORATION**

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Monticello, New York 12701  
845-428-7575**

**MILLENNIUM REVOLVING LOAN FUND**

**Policy Guidelines**

**Revised, 2022**

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**Sullivan County Funding Corporation  
Millennium Revolving Loan Fund  
Policy Guidelines**

**Section 1. GENERAL**

- 1.1 Policy Guidelines. These Policy Guidelines were adopted by the County of Sullivan Industrial Development Agency (“Agency”) and then assigned to the Sullivan County Funding Corporation (“SCFC”) as per Agency Resolution dated December 13, 2011, and amended by SCFC as per Agency Resolution dated \_\_\_\_\_, 2022. ~~They~~ are intended to serve as the primary administrative document for the Millennium Revolving Loan Fund program (“MRLF”). Any changes to the MRLF must be adopted by the SCFC. A Loan Review Committee consisting of two (2) members of the SCFC and the SCFC’s Chief Executive Officer (“Loan Review Committee”) shall oversee the MRLF. The two (2) SCFC members serving on the Loan Review Committee shall serve at the pleasure of the SCFC.
- 1.2 Objectives. The primary objectives of the MRLF are (a) to facilitate the establishment or expansion of business activity within the County of Sullivan (“County”) and create or retain employment opportunities; (b) to encourage development of new business concepts and ideas that are embodied in a borrower’s business plan; and (c) to supplement the cost of a borrower hiring a qualified County high school student.
- 1.3 Form of Assistance. The MRLF will provide assistance only in the form of secured loans.

**Section 2. ELIGIBILITY REQUIREMENTS**

- 2.1 Eligible Activities
- (a) The principal business activity that will be primarily impacted by the financing shall be located within the County.
  - (b) The business activity to be undertaken with assistance from the MRLF must directly result in either (i) the creation or retention of employment positions or (ii) the projected increase in business activity if the business is operated as a sole proprietorship (or single member entity equivalent).
- 2.2 Eligible Borrowers. Eligible borrowers include individuals (sole proprietorships), partnerships, corporations and limited liability companies. Loans may also be provided to individuals acting as principals of an eligible entity and who will rent or lease assets to an otherwise eligible borrower. All borrowers and any individual guarantors must have a minimum credit score of 550.
- 2.3 Eligible Uses of MRLF. MRLF funds are to be used for the purchase of fixed assets.
- 2.4 Ineligible Uses of MRLF. MRLF funds shall not be used for the refinancing of existing debt, financing of current assets (including inventory) or for working capital.

### **Section 3. PROGRAM STANDARDS**

- 3.1 MRLF Financing Amount. The MRLF is intended to supplement an owner's equity in order to facilitate financing with traditional financing sources. Therefore, MRLF assistance shall be no greater than the minimum amount necessary to facilitate the business activity. Applicants must demonstrate that other private and public sources of debt and equity have either been maximized or are inappropriate, unaffordable, or otherwise unavailable. It is generally expected that the amount of MRLF assistance will not exceed fifty (50%) percent of the total amount of the required capital, including funding for increasing funding for fixed assets, current assets and working capital requirements. However, the Loan Review Committee may, at its discretion, recommend approval of MRLF loans in excess of fifty (50%) percent of the total amount of the required capital. The reasons for recommending loans in excess of 50% of the total amount of required capital shall be set forth in writing and provided to the SCFC for consideration.
- 3.2 Employment. Except in the case of the loan not exceeding Ten Thousand and 00/100 (\$10,000.00) Dollars made to sole proprietorships (or a single member entity equivalent) the amount of a MRLF shall not exceed Twenty Thousand and 00/100 (\$20,000.00) Dollars for each full time equivalent (FTE) to be created by the business activity supported by the MRLF loan.
- 3.3 Minimum Amount of MRLF Assistance. MRLF assistance will not be considered where the amount of such required assistance is less than Five Thousand and 00/100 (\$5,000.00) Dollars.
- 3.4 Maximum Amount of MRLF Assistance. MRLF assistance may not exceed Seventy-Five Thousand and 00/100 (\$75,000.00) Dollars for each project assisted.

### **Section 4. LENDING POLICIES**

- 4.1 Term of Loans. Loan term will generally be consistent with the life of the assets being financed and in no instance exceeding ten (10) years. For all loans, the term shall be determined by the Loan Review Committee based upon such factors as the terms of related loans, the nature of the collateralized assets, and the borrower's projected ability to repay the loan.
- 4.2 Interest Rate. The Loan Review Committee will determine the interest rate to be charged. The rate shall be a fixed rate of six (6%) percent (the "Base Rate"). The Base Rate may be reduced as follows:
- (a) In the event an applicant's business plan presents a new, unique or improved business activity or process, the Loan Review Committee may reduce the Base Rate by up to three (3%) percent. In considering a rate reduction, the Loan Review Committee will favor applications, which, among other benefits to the local economy, have one or more of the following attributes. For each attribute listed below, the Base Rate shall be reduced by one (1%) percent:



- (i) The business activity results in “value added” to a product or raw material readily available from County sources.
- (ii) The business activity will employ not less than one new FTE for each Ten Thousand and 00/100 (\$10,000.00) Dollars of the loan amount.
- (iii) The business activity loan is for a product or service with substantial demand or a broad potential market which could be replicated by others without unduly interfering with the applicant’s customers or markets.
- (iv) The business activity will result in the sale of a product or service subject to state and local sales taxes.
- (v) The business activity is located in a town in which the Millennium pipeline traverses.
- (vi) The MRLF will be used to allow the business to hire low-to moderate income workers.

(vii) Project incorporates alternate energy in its design plans.

~~(b)~~ For approved loans, SCFC staff will annually request information from the borrower certifying that the business activity continues to be eligible for the approved Interest Rate based on the above attributes. In the event the business activity no longer possesses these attributes, the Interest Rate will be adjusted accordingly.

~~(e)(b)~~ In the event the borrower employs a full-time County resident high school student (including a graduated senior awaiting the start of college) ~~on either a part-time basis during the school year or on a full-time basis during summer vacation~~, the borrower shall be entitled to a credit against the interest to be paid the SCFC of twenty-five (25%) percent of the wages paid to such student. In no event shall the interest credit reduce the rate of interest below one (1%) percent.

43 Repayment Terms. The Loan Review Committee will determine the schedule of loan repayments on case-by-case basis based on the applicant’s projected ability to repay the loan, the projected value of the collateral and other security, and the overall risk assumed. Repayment terms may involve standard forms of loan amortization, periods of interest only payments, extended amortization schedules with balloon payments of principal and/or such other terms as may be determined by the Loan Review Committee to be appropriate.

44 Security. The Loan Review Committee will determine the required security for each loan on a case-by-case basis based on such factors as risk of default, the nature and value of the security, and the position of the MRLF in relation to the other lenders. In determining the appropriate security, the following will apply:

- (a) The Loan Review Committee will require a security interest in all assets financed. Collateralization of additional assets of the borrower may be required at the Loan Review Committee’s option.

- (b) For loans to corporations or limited liability companies the Loan Review Committee may require the personal guarantee of any owner of stock or membership interest of the borrower.
- (c) For loans to closely-held corporations or limited liability companies, the Loan Review Committee may require collateralization of selected personal assets of one or more of the shareholders or members.
- (d) For loans to individuals, partnerships, or corporations that have affiliated interests and/or identities of ownership with other business entities, the Loan Review Committee may require additional guarantees from such other business entities.
- (e) For loans to businesses that have a dependence upon specific individuals for their continuing viability, the Loan Review Committee may require an assignment of insurance on the lives of those persons.

45 Subordination.

- (a) The Loan Review Committee may allow a subordination of debt and collateral to institutional lenders where necessary to facilitate the financial participation by the institutional lenders.
- (b) The standing of the financing relative to other public or quasi-public lenders will be negotiated on a case-by-case basis.
- (c) The Loan Review Committee will require subordination to financing of the notes payable to any officer, owner, or similarly affiliated party to the borrower. Such subordination may include subordination of security interests and/or repayment restrictions.
- (d) The Loan Review Committee will generally require the execution of intercreditor agreements in instances where multiple lenders exist. The use and form of such intercreditor agreements shall be the responsibility of the SCFC Attorney.

**Section 5. APPLICATION PROCESSING**

- 5.1 Loan Applications. Application for financing must include (i) all of the information required by the Application in a form approved by the Loan Review Committee; (ii) a comprehensive business plan; and (iii) any additional information as may be reasonably requested by the Loan Review Committee.

~~If it is determined by the SCFC's Executive Director that a proposed business activity is worthy of pursuing and the Executive Director determines no cost or low cost resources are not available to assist with preparation of a business plan to accompany a borrower's application, the Executive Director may authorize an advance (not to exceed \$1,000.00) to a service provider to assist with preparation of a business plan for the prospective borrower. The advance shall be paid back to the MRLF by the applicant through the MRLF proceeds.~~

52 Application Fee. A Two Hundred Fifty and 00/100 (\$250.00) Dollar non-refundable application fee shall be paid at the time of submission of applications for financing.

53 Application Processing. The processing of loan application will be the responsibility of the Loan Review Committee with the assistance of SCFC staff and will generally consist of the following:

- (a) Review of applications for completeness and procurement of appropriate additional information.
- (b) Review for MRLF program eligibility criteria.
- (c) Determine economic feasibility, perform credit analysis, and assess risk.
- (d) Determine amount and terms of MRLF financing, including establishing an interest rate, determining a schedule for loan repayment and requirements for appropriate security.

54 Loan Approval. The Loan Review Committee shall process and review MRLF applications and present them to the SCFC with recommendations for approval or disapproval. The SCFC shall have sole authority to approve loans from the MRLF. The application of other appropriate conditions of lending and covenants of the borrower shall be the responsibility of the SCFC Attorney.

55 Loan Disapproval.

- (a) Loan applications may be disapproved by the SCFC Executive Director based on a lack of application completeness or a failure to meet the eligibility criteria pursuant to Sections 5.3(a) and 5.3(b) hereof respectively. In such instances, the applicant will be notified in writing of the reason(s) for disapproval.
- (b) Loan applications may be disapproved at the sole direction of the Loan Review Committee if the ~~C~~committee determines that MRLF financing is inappropriate based on the reviews conducted in accordance with Section 5.3(c) hereof.
- (c) Loan Applications may be disapproved at the sole discretion of the Loan Review Committee for any reason or reasons which represent a reasonable determination that the approval of the MRLF application would not meet the objectives of the MRLF and/or would not represent an appropriate or prudent use of MRLF funds.

## **Section 6. POST-APPROVAL PROCESS**

6.1 Commitment Letter. Within fifteen (15) calendar days from the date of the SCFC's approval of a loan hereunder, a commitment letter shall be sent to the applicant that includes, the following information:

- (a) The amount of the loan approved, the applicable interest rate, the qualifying attributes relating to any reduction in interest rate as identified in Section 4.2(a) above, the terms of repayment, and the expiration date of the commitment.

- (b) The required use of the MRLF loan funds.
- (c) The MRLF requirements for collateral and additional security, including guarantees, pledges of assets, stock, membership interest, assignment of life insurance, etc.
- (d) Summary information regarding employment requirements, if applicable.
- (e) Any other conditions of lending.
- (f) A listing and explanation of any fees to be charged and other closing costs that will be the responsibility of the borrower.
- (g) A listing of those conditions and requirements of the borrower that must be fulfilled precedent to a loan closing.
- (h) Any other information that could reasonably be expected to influence the borrower's decision to accept the terms of the loan commitment.

6.2 Loan Closings. The SCFC Attorney shall have the responsibility to prepare and/or supervise the preparation of all appropriate closing documents. The borrower shall be required to pay all closing costs incurred by the MRLF including costs incurred by the MRLF acting on behalf of the borrower (such as lien searches relating to collateral). The SCFC Attorney shall determine the appropriate closing documents to be executed based upon the terms and conditions of the loan approval and prudent lending policies. Such documents shall generally include the following:

- (a) A loan agreement that includes a description of the loan terms and security, appropriate representations and warranties, the conditions of lending, affirmative and negative covenants – including compliance with applicable laws and regulations, requirements regarding employment creation and reporting, default provisions, and any other provisions which may be appropriate.
- (b) A note to evidence the indebtedness, the rate of interest to be charged and the terms of repayment.
- (c) The appropriate documents to evidence and record mortgages, liens, guarantees, and such other security as may be required by the terms of the loan.
- (d) Other appropriate documents as determined by the SCFC Attorney.

6.3 Security. The SCFC Attorney will be responsible for perfecting all security interests including, where appropriate, the execution of security agreements, the filing of financing statements, the execution and filing of mortgages, the execution of guarantees, and any other appropriate actions to adequately protect the MRLF's security interest. Intercreditor agreements should be executed where appropriate to further protect the MRLF's interests and to facilitate the processing of defaults and foreclosures.

6.4 Loan Disbursements. The disbursement of loan proceeds shall be the responsibility of the SCFC Executive Director. The manner and terms of the disbursement of the MRLF financing should normally be included in the Loan Review Committee's recommendation approving loan financing. However, in instances where the Loan Review Committee has not prescribed a draw schedule, the Executive Director may approve a draw schedule. For such disbursement, the following guidelines shall generally apply:

~~(a) Subject to the borrower's compliance with the terms and conditions of the loan agreement, all documents evidencing and securing the loan, and other guidelines for disbursements as described in this Section 6.4, the MRLF may disburse loan proceeds upon the borrower's presentation of vouchers and other such evidence satisfactory to the SCFC Executive Director that represent paid or accrued expenses of the borrower and which are eligible costs as determined by the SCFC Executive Director.~~

~~(b) Where other debt or equity financing is to be used in conjunction with the MRLF financing, such debt or equity must, in the option of the Executive Director of the SCFC, be firmly committed for such use. Evidence of the commitment(s) must be submitted by the borrower.~~

~~(c) Where other debt or equity financing is to be used in conjunction with the MRLF financing, the Executive Director of the SCFC will, at his discretion, determine an appropriate draw schedule for MRLF funding based on such factors as the magnitude of risk assumed by the MRLF, the nature of the activities being financed and the draw schedule for the other financing. The manner and terms of the disbursement of the MRLF financing should normally be included in the approval of the financing by the Loan Review Committee. However, in instances where the Loan Review Committee has not prescribed a draw schedule, the Executive Director of the SCFC may approve a draw schedule.~~

6.5 Fees; Administration.

(a) MRLF Fee. The MRLF Administration Fee to cover administrative expenses associated with MRLF loans shall be the greater of one (1%) percent of the principal amount of loan or Two Hundred Fifty and 00/100 (\$250.00) Dollars.

(b) SCFC Attorney Fee. The SCFC Attorney shall charge a fee equal to the greater of one (1%) percent of the MRLF or Five Hundred and 00/100 (\$500.00) Dollars.

## **Section 7. LOAN MANAGEMENT**

7.1 Delinquencies. The SCFC Executive Director or her designee will contact the borrower in the event of any delinquency of payment to inform the borrower of the delinquency and to determine if there is a need to procure additional information or to provide technical assistance. Delinquencies that continue for sixty (60) days will be referred to the SCFC Attorney and Loan Review Committee for further action.

72 Default. All events of default are addressed in the loan agreement. The MRLF is NOT a grant.

73 Compliance Monitoring. The Executive Director or his or her designee shall be responsible for monitoring the borrower's compliance with all of the conditions and covenants of the MRLF Loan Documents with the exception of the repayment requirements. Such responsibility shall include performing annual site visits to verify the accuracy of information requested by SCFC and reported by the borrower; requesting additional documentation as needed, at his or her discretion; taking appropriate actions in the event of non-compliance;<sup>5</sup> informing the Loan Review Committee and SCFC Attorney of any incidence of default under the terms and conditions of the loan agreement;<sup>5</sup> and providing file documentation as appropriate.

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