ULSTER COUNTY CAPITAL RESOURCE CORPORATION
RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A LOAN FUND AND APPROVING A LOAN FUND POLICY OF THE CORPORATION

A regular meeting of Ulster County Capital Resource Corporation (the "Corporation") was convened in public session at the Ulster County Office Building, Legislative Chambers, 6th floor located at 244 Fair Street in the City of Kingston, Ulster County, New York on March 25, 2026 at 9:00 a.m., local time.

The meeting was called to order by the (~~Vice~~) Chairperson of the board of directors of the Corporation and, upon roll being called, the following members of the board of directors of the Corporation were:

PRESENT:

Michael J. Ham	Chairperson
Rachel Silverman, Esq.	Vice Chairperson
Steven L. Kelley	Treasurer
Randall Leverette	Assistant Treasurer
Trevor Curwin	Member
Kaustubh Wahal	Member

ABSENT:

Joseph Ferraro	Secretary

CORPORATION STAFF PRESENT INCLUDED THE FOLLOWING:

Hillary Nichols	Executive Director
Christopher C. Canada, Esq.	Corporation Counsel and Bond Counsel

The following resolution was offered by Michael J. Ham, seconded by Steven L. Kelley, to wit:

Resolution No. 0326-03

RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A LOAN FUND OF THE ULSTER COUNTY CAPITAL RESOURCE CORPORATION (THE "CORPORATION") AND APPROVING A LOAN FUND POLICY OF THE CORPORATION RELATED THERETO.

WHEREAS, pursuant to the provisions of Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act") and Revenue Ruling 57-187 and Private Letter Ruling 200936012, (A) the County Legislature (the "Legislature") of Ulster County, New York (the "County") adopted a resolution on March 2, 2010 (the "Sponsor Resolution") (1) authorizing the incorporation of Ulster County Capital Resource Corporation (the "Corporation") as a public instrumentality of the County and (2) appointing the initial members of the board of directors of the Corporation, who serve at the pleasure of the County, and (B) in May, 2010, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Corporation; and

WHEREAS, the Corporation is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Corporation will be performing essential governmental functions; and

WHEREAS, further, pursuant to the Certificate of Incorporation, the Corporation shall be operated for the specific purpose of, among other things, promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the County by developing and providing programs for not-for-profit institutions and other entities to access low interest financing for eligible projects; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Corporation are principally to be conducted; and

WHEREAS, the board of directors and staff of the Corporation have conducted a review of the needs of the Corporation with respect to accomplishing the Corporation's purposes and the opportunities that may be available to promote community and economic development and the creation of jobs in the County, and have had numerous discussions relating thereto; and

WHEREAS, based on such review and discussions, the members of the board of directors of the Corporation have (a) discussed the establishment of a fund (the "Loan Fund") designed to support eligible non-profit organizations by providing low-cost gap financing for certain eligible capital projects and grant-supported initiatives, (b) considered the adoption of new policies and procedures related to such proposed Loan Fund, and (c) reviewed the rules, requirements, and benefits of establishing such a proposed Loan Fund and adopting policies and procedures related thereto; and

WHEREAS, to assist the members of the board of directors of the Corporation with the review of a proposed Loan Fund, the staff of the Corporation solicited input from various entities and organizations similar to the Corporation (the "Support Organizations"), and worked with counsel to the Corporation to research various loan fund programs established, operated and/or administered by such entities and the rules, regulations, and benefits of such programs; and

WHEREAS, such research and review (a) identified a variety of eligible non-profit organizations operating in the County and undertaking projects that could benefit from additional opportunities for low-cost financing, (b) demonstrated, based on the experience of the Support Organizations and the needs of local non-profit organizations, that the making of one or more loans by the Corporation from the Loan Fund to such organizations could increase the likelihood of such projects being undertaken and (c) demonstrated that the Corporation is expected to have sufficient capital available to operate the proposed Loan Fund while continuing to maintain its other normal operations; and

WHEREAS, based on such research and review, staff of the Corporation and counsel to the Corporation prepared a draft loan fund policy (the "Loan Fund Policy") establishing, among other things, (a) the initial value of the Loan Fund, (b) the eligibility requirements for obtaining a loan and various compliance requirements and (c) the collateral and security requirements necessary to protect the interests of the Corporation; and

WHEREAS, as provided in the charter of the Governance Committee of the Corporation (the "Governance Committee"), the members of the Governance Committee discussed the establishment of the Loan Fund at various meetings of the Governance Committee, reviewed the proposed Loan Fund Policy and made certain recommendations to the full board of directors of the Corporation regarding the establishment of the Loan Fund and the approval of the Loan Fund Policy (collectively, the "Governance Committee Recommendations"); and

WHEREAS, copies of a draft of the Loan Fund Policy were previously presented to the members of the Governance Committee, and the members of the board of directors of the Corporation have reviewed the draft of the Loan Fund Policy; and

WHEREAS, in connection with the review and research of the proposed Loan Fund and the Governance Committee Recommendations, the members of the board of directors of the Corporation desire to establish the Loan Fund and approve and adopt the Loan Fund Policy;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ULSTER COUNTY CAPITAL RESOURCE CORPORATION, AS FOLLOWS:

Section 1. The Corporation hereby finds and determines that:

(A) By virtue of the Enabling Act and the Certificate of Incorporation, the Corporation has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and to exercise all powers granted to it under the Enabling Act;

(B) The making of one or more loans by the Corporation from the Loan Fund would be expected to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the County by making various projects more accessible and increasing the likelihood of such projects being undertaken;

(C) It is desirable and in the public interest for the Corporation to establish the Loan Fund and utilize the Loan Fund Policy to (i) develop an application and related materials for the evaluation and making of loans from the Loan Fund, (ii) evaluate the eligibility of applicants for low-cost financing, and (iii) make loans from the Loan Fund to provide eligible entities access to low-cost financing;

(D) In connection with the Corporation's completed review of the Loan Fund Policy and the information presented by staff of the Corporation and counsel to the Corporation related thereto, it is desirable and in the public interest for the Corporation to establish the Loan Fund and adopt the Loan Fund Policy in the form as attached hereto as Exhibit A.

Section 2. In consequence of the foregoing, the Corporation hereby determines:

(A) To establish the Loan Fund;

(B) That the form, term and substance of the Loan Fund Policy, with the technical changes requested by the members of the Corporation, is hereby approved and adopted in all respects.

Section 3. The Corporation hereby authorizes the Chairperson, Vice Chairperson and Executive Director to take all steps necessary to establish the Loan Fund and finalize a form of application to be used by eligible non-profit organizations to apply to the Corporation for low-cost financing through loans from the Loan Fund.

Section 4. This resolution shall take effect immediately.

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

Michael J. Ham	VOTING	YES
Rachel Silverman, Esq.	VOTING	YES
Steven L. Kelley	VOTING	YES
Randall Leverette	VOTING	YES
Joseph Ferraro	VOTING	ABSENT
Kaustubh Wahal	VOTING	YES
Trevor Curwin	VOTING	YES

The foregoing resolution was thereupon declared duly adopted.

[Remainder of page left blank intentionally]

STATE OF NEW YORK)
) SS.:
COUNTY OF ULSTER)

I, the undersigned (Assistant) Secretary of Ulster County Capital Resource Corporation (the "Corporation"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the board of directors of the Corporation (the "Board of Directors"), including the resolution contained therein, held on March 25, 2026 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 Board of Directors 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 Board of Directors 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 Corporation this 25th day of March, 2026.

BY: _____
(Assistant) Secretary

(SEAL)

EXHIBIT A

LOAN FUND POLICY

- SEE ATTACHED -

LOAN FUND POLICY

INTRODUCTION

Ulster County Capital Resource Corporation (hereinafter referred to as "UCCRC" or the "Corporation") is a New York not-for-profit Local Development Corporation serving Ulster County, New York (the "County"). UCCRC's mission is to promote community and economic development in the County in ways that complement the work of Ulster County. UCCRC accomplishes its mission by, among other things, developing and providing programs for not-for-profit institutions and other entities to access low interest financing for eligible projects.

UCCRC will administer a revolving loan fund designed to support eligible non-profit organizations by providing low-cost gap financing for capital projects and grant-supported initiatives that (i) promote community and economic development and the creation of jobs in the County, (ii) relieve and reduce unemployment, (iii) better and maintain job opportunities, (iv) attract new industry to the County, and/or (v) encourage the development of, or retention of new and existing industries in the County.

OBJECTIVES OF THE LOAN PROGRAM

- Promote non-profit development that provides fiscal benefit and economic stability within Ulster County, subject to the purposes outlined in the introduction above.
- Provide access to low interest financing for non-profit organizations that are unable to obtain sufficient financing from traditional lending sources.
- Attract and retain non-profit organizations that provide employment opportunities and essential community services (such services to include, but not be limited to, health, elder care, and other services).
- Encourage the expansion and sustainability of jobs, facilities, and mission-driven services benefiting County residents.

LOAN FUND STRUCTURE

- **Total Loan Fund Capital:** $275,000[1]
- **Loan Loss Reserve Allocation:** Minimum of $25,000 reserved and maintained in accordance with the Loan Loss Reserve Policy outlined below
- **Loan Amounts:** $10,000 – $50,000 per loan
- **Application Cycle:** Loan applications shall be accepted annually from November through August, or until available funds are fully committed, whichever occurs first

UCCRC shall open a separate bank account entitled "Loan Fund Account," (the "Loan Fund Account") into which account the Corporation shall deposit the Loan Fund Capital. Interest shall not accrue on amounts on deposit in the Loan Fund Account.

LOAN COMMITTEE

The Corporation will establish a Loan Committee to consider loan requests for approval. Each loan shall have a specific risk rating assigned to it, which will determine the initial loan loss reserve allocation for that loan. The Loan Committee shall meet at least quarterly. In addition to loan review and approval, the Loan Committee shall review and approve certain quarterly Loan Portfolio Reports.

The Loan Committee shall consist of not less than three (3) independent members of the board of directors of the UCCRC (the "Board of Directors"), who shall constitute a majority on the Loan Committee. Members shall serve on the Loan Committee at the discretion of the Board of Directors. Members appointed to the Loan Committee shall have the background necessary to perform its duties.

The responsibilities of the Loan Committee shall be limited to reviewing applications to the Corporation for loans from the loan fund administered by the Corporation and issuing recommendations to the Board of Directors with regard to proposed actions on such applications. The Board of Directors may from time to time modify the authority of the Loan Committee to approve or disapprove loans, including the amount thereof, by resolution duly adopted by the Board of Directors; provided, however, that any such modification shall not be effective as to any loan approved or disapproved prior to the date of such Board action. A majority of the individuals then serving on the Loan Committee shall constitute a quorum for the transaction of business on any specified item of business by the Loan Committee. The vote of a majority of the individuals serving on the Loan Committee shall be the act of the Loan Committee. The Loan Committee's

[1] Subject to review and modification by the Board of Directors of the UCCRC.

meetings shall be open to the public in accordance with the Open Meetings Law of the State of New York, as set forth within article 7 of the Public Officers Law.

Notwithstanding the authority of the Loan Committee, the Board of Directors sets overall lending policies and procedures and may, at any time, in the discretion of the Board of Directors, modify such policies and change, modify or reverse any decision determined to not be in the best interest of the Corporation.

BORROWER ELIGIBILITY

Eligible borrowers must meet all of the following criteria:

- Be a New York State–registered non-profit organization;
- Be based in Ulster County, or, if located in a surrounding county, demonstrate that the proposed project primarily serves Ulster County residents;
- Be in good standing with all applicable federal, state, and local requirements; and
- Demonstrate financial and operational capacity to repay the loan.

UCCRC BRIDGE/GAP FINANCING LOANS

UCCRC Bridge Loans are intended to provide short-term, low-cost gap financing to eligible non-profit organizations, particularly those with approved reimbursable grant awards.

Bridge Loan Summary

- **Amount:** $10,000-50,000 per loan[2];
- **Description:** Gap financing for eligible non-profit capital projects or reimbursable grants;
- **Interest Rate:** Four percent (4%) OR cost of capital tied to CD rates at time of application[3];
- **Term:** 6–18 months;
- **Prepayment Penalty:** None.

ELIGIBLE USES OF FUNDS

Loan proceeds may be used solely for capital-related purposes, provided that the project includes a job creation or job retention metric, where applicable. Examples of eligible uses include, but are not limited to:

- New construction;
- Building renovations or facility improvements;
- Site improvements;

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[2] Loan proceeds may not exceed [forty percent (40%)] of the total project cost, subject to the requirements of a corresponding grant award.

[3] The Loan Committee shall determine whether the lower of higher interest rate will apply to a given loan.

- Fixed assets, furniture, fixtures, and equipment;
- Working capital directly related to an awarded reimbursable grant; or
- Materials and supplies related to the approved project.

INELIGIBLE USES OF FUNDS

Loan proceeds may not be used for:

- Media, marketing, or advertising expenses;
- Refinancing existing debt;
- Investments or speculative activities;
- General organizational or administrative operating costs; or
- Any illegal or prohibited activity.

INTEREST RATES, FEES, AND COSTS

Interest

- Fixed interest rate of four percent (4%), or UCCRC's cost of capital, as determined at the time of application.

Fees (All Non-Refundable)

- Application Fee: $100
- Closing Fee: One-percent (1%) of total loan amount

AMORTIZATION AND REPAYMENT

- Loan terms shall generally range from 6 months to 18 months.
- Payments shall be due monthly or as outlined in loan award information.
- Longer or shorter terms may be approved on a case-by-case basis, subject to Loan Committee and/or Board of Directors approval.

LOAN ORIGINATION AND UNDERWRITING

Required documentation includes, but is not limited to:

- A completed, signed and approved loan application;
- Grant award letter and grant application, if applicable;
- Documentation demonstrating other committed sources of project funding;
- Two (2) years of IRS Form 990;
- Two (2) years of borrower budgets approved by the Board of Directors;
- Two (2) years of audited financial statements;
- Interim financial statements (if applicable);

- Organizational documents (Articles of Incorporation, By-Laws, Authorizing Resolution of the Borrower, etc.);
- Personal and/or organization guarantees, as may be required by the Loan Committee; and
- Description of collateral (as determined by the Loan Committee and as further discussed in Collateral below).

CREDIT REPORTS

Credit reports shall be reviewed for all borrowers, guarantors and co-signers.

UCCRC does **not** impose a minimum credit score requirement; however, overall creditworthiness is considered as part of the underwriting process.

COLLATERAL

All loans must be secured. Acceptable collateral may include real property, equipment, receivables, or other business or personal assets. Collateral shall be perfected as required by law.

SERVICING, COLLECTIONS, WORKOUTS, AND DEFAULT

Due Dates, Grace Periods and Late Fees

The first loan payment shall be due within sixty (60) days of the loan closing date or at a later date as agreed upon via a loan award letter or communication from the UCCRC. Subsequent payments shall be due monthly on the first (1st) or fifteenth (15th) of each month, or as otherwise set forth in the applicable loan award letter. In the discretion of the Loan Committee, the repayment provisions included in a loan award letter may require interest-only payments for such time as may be determined by the Loan Committee. A five (5)-day grace period is provided. Payments received after the due date may be assessed a late charge of five percent (5%) or twenty-five dollar ($25), whichever is greater. Late charges may be waived at the discretion of the Loan Committee, and should generally be waived if:

- It is the first time a borrower is late;
- The Borrower contacts UCCRC to notify them the payment will be late, and provides a valid reason; or
- Borrower has a good repayment history.

Billing Statements

Borrowers with outstanding loans will receive monthly billing statements via email or U.S. mail.

Collections

- Six (6) days past due: a phone call is made or an email is sent to the borrower notifying them that their loan payment is past due and requesting payment.
- Fifteen (15) days past due: the same is done, and immediate payment is requested.
- Thirty (30) days past due: a default letter may be sent, and a meeting with the borrower may be requested.
- Sixty (60) days past due: a demand letter will be sent, with thirty (30) days to cure the default, and notice of intent to foreclose.

Lending staff will report to the Loan Committee and/or Board of Directors regarding all Collections and may make recommendations regarding refinancing, deferments, foreclosure, write-offs or other alternatives. Decisions regarding collections will be made on a case-by-case basis depending on a borrower's payment history, communication with UCCRC, amount of principal outstanding, and the collateral securing the loan; provided, however, that any three (3) consecutive defaults in payment shall result in the automatic acceleration of a given loan.

Workouts

Every effort will be made by UCCRC to work with a borrower to mitigate loan losses and additional costs, such as attorney's fees. Options include:

- Interest-only period;
- Regular monthly payment plus an additional amount toward back payments; and/or
- Loan restructuring: extending term adding payments to end of loan, re-amortizing.

LOAN LOSS RESERVE POLICY

- UCCRC shall maintain a Loan Loss Reserve equal to ten percent (10%) of the outstanding loan portfolio, including a minimum $25,000 reserve allocation.
- Risk ratings and reserve percentages shall be applied in accordance with the Risk Rating System discussed below.

- Adjustments to reserves may be recommended by staff or the Loan Committee; only the Board of Directors may authorize changes.

RISK RATING SYSTEM

New loans are given an initial risk rating of three (3). Each loan outstanding will be reviewed by the Loan Committee and all relevant staff members on a monthly basis. The Loan Committee will review periodic reports of all loans outstanding with their corresponding risk ratings.

Risk ratings are as follows:

1. Payments are current; typically fully collateralized; no known problems. No loan is given a **1** rating at closing; a loan may become a **1** after one (1) year of solid performance.
2. Payments are current; may be under collateralized and/or UCCRC is not in first position; business may have some known risk.
3. Payments are current; may be under collateralized and/or UCCRC is not in first position; may have recent late payments; business may have known risk. Initial rating for new loans.
4. Payments are more than thirty (30) days late; known risk threatening repayment; collection procedures initiated.
5. Payments are more than sixty (60) days late; known risk threatening repayment; loan restructuring possible.
6. Payments are more than ninety (90) days late; known risk threatening repayment.
7. Loan restructuring unlikely.
8. Loan charge off likely.

The following chart describes how the loan risk rating system is used to determine the appropriate amount to be allocated to the loan loss reserve account for each loan:

Rating	Reserve
1	5%
2	10%
3	15%
4	20%
5	25%
6	50%
7	75%
8	100%

Adjustments to the reserve may be made at any time based on the review of borrowers' financial performance, payment history, and other facts regarding business operations. Loan loss reserve

amounts are reported to the Loan Committee and Board of Directors at least quarterly. Only the Board of Directors has the authority to increase or decrease reserve amounts.

CONFLICTS OF INTEREST & NON-DISCRIMINATION

Gifts

UCCRC prohibits UCCRC Staff, Committee Members and Board Members from soliciting or accepting any gratuities, gifts or favors other than promotional gifts of nominal value consistent with Section 805-a of the General Municipal Law.

Less than Arm's Length Transactions

All Loan Policies and Procedures shall adhere to the UCCRC Conflict of Interest Policy, Section 801 of the General Municipal Law, and any applicable provision of state or federal law.

Statement of Non-Discrimination

No person in the United States shall, on the basis of age, race, creed, color, national origin, sexual orientation, gender identity or expression, military status, disability, predisposing genetic characteristic, familial status, status as a victim of domestic violence, or marital status be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any project assisted with UCCRC funds.

LENDING AUTHORITY

Decision	Approval of Loan Committee Required	Approval of Board of Directors Required
New Loan Applications:		
• Loans $5,000 or less	Yes	No
• Loans $10,000 or less	Yes	No
• Loans $24,999 or less	Yes	No
• Loans $25,000-$50,000	-	Yes
• Loans up $50,000	-	Yes
Existing Loans		
Extension of loan maturity:		
• One year or less	Yes	No
• Greater than one year	-	Yes

Renegotiate Payment Plan:	Yes	No
Foreclosure/Collections:		
• Charge-off loan $24,999 or less	Yes	No
• Charge-off $25,000 or more	Yes	Yes
• Pursue Foreclosure	Yes	Yes
• Approve steps and fees during collection process	Yes	No
Loan Commitments/Pre-closing:		
Increase in commitment amount:		
• $1,000 or less	Yes	No
• Over $1,000 to $4,999	Yes	Yes
Extension of commitment date:		
• One month or less	Yes	No
• Over one month	Yes	Yes

[Adopted March 25, 2026]