

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-13-12-17
 December 10, 2013

AUTHORIZING A LOAN OF \$250,000 TO PURINE PHARMA, LLC.

WHEREAS, the St. Lawrence County River Valley Redevelopment Agency seeks to actively participate in economic development projects which result in the creation of jobs, and

WHEREAS, the Agency has partnered with the St. Lawrence County Industrial Development Agency Local Development Corporation ("SLCIDALDC") for the purpose of providing assistance to such projects, and

WHEREAS, Purine Pharma has applied to the St. Lawrence River Valley Redevelopment Agency and the SLCIDALDC for \$250,000 in loan financing to assist in purchasing machinery and equipment to be installed in its Massena, New York plant, and

WHEREAS, this funding assistance, combined with \$738,000 in bank financing and \$225,000 in North Country Alliance (NCA) financing, will enable Purine Pharma to bring its Massena facility to full production of liquid dose over-the-counter medicines and nutraceuticals for domestic and foreign sale,

NOW, THEREFORE, BE IT RESOLVED by the St. Lawrence River Valley Redevelopment Agency agrees to authorize the SLCIDALDC to lend \$250,000 from the St. Lawrence River Valley Economic Development Fund to Purine Pharma, LLC, and

BE IT FURTHER RESOLVED that said loan of \$250,000 shall be subject to the following terms and conditions, as more fully described and expanded in the underwriter's report dated December 3, 2013:

1. Interest Rate: ~~1/2 of prime rate plus 1 (the actual rate to be determined at closing and adjusted in the end of the fifth year).~~ Fixed rate at 5%
2. Term: Seven (7) year amortization schedule
3. Security:
 - o Co-proportional second mortgage on the Massena plant real estate at 5 County Route 42 with the NCA
 - o Co-proportional second lien on all Equipment, Inventory, Machinery, Equipment, Accounts Receivable, and Formulations with the NCA
4. Other:
 - o Unlimited Personal Guarantees of Ramesh Gadde, Sunil Mandalapu, and Jagadeesh Gummella
 - o Cross corporate guarantees of SAI, LLC. and Ogene, LLC.
 - o Evidence of bank financing in an amount of \$738,000
 - o Evidence of \$225,000 in additional public financing
 - o Evidence of equity in the project of at least \$558,000
 - o Current or future stockholders' subordination to the public lenders
 - o Key Man Life Insurance on Venkat Kakani an amount sufficient to cover the outstanding balance of the loan
 - o The company agrees on an annual basis to retain 2 FTE jobs and to create 15 FTE new jobs over the next three years

Move:	Strait			
Second:	Carroll			
VOTE	AYE	NAY	ABSTAIN	ABSENT
Burns				X
Carroll	X			
McNeil	X			
Murphy	X			
Strait	X			

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley

12/10/2013