

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY  
Resolution No. RVR-14-05-06  
May 28, 2014

**AUTHORIZING A LOAN OF UP TO \$100,000 TO RIVERSIDE IRON, LLC**

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

**WHEREAS**, the RVRA has partnered with the St. Lawrence County Industrial Development Agency Local Development Corporation ("SLCIDA-LDC") as prescribed in certain agreements among multiple parties dated June 2, 2010 for the purpose of providing assistance to such projects, and

**WHEREAS**, Riverside Iron, LLC has applied to the St. Lawrence River Valley Redevelopment Agency and the SLCIDA-LDC for up to \$100,000 in loan financing to provide part of the working capital required to finance the company's effort to acquire and operate the former Riverside Ironworks plant in Gouverneur, New York, together with all the machinery and equipment installed in the Gouverneur plant (collectively, the "Facility") and

**WHEREAS**, this funding assistance, combined with \$350,000 in financing provided by the current owner of the Facility and up to \$100,000 from the Greater Massena Economic Development Fund ("GMEDF") will enable Riverside Iron, LLC to return the Facility to full operation, producing miscellaneous, ornamental and structural steel products for sale in the company's service area in the northeastern United States,

**NOW, THEREFORE, BE IT RESOLVED** that the St. Lawrence River Valley Redevelopment Agency agrees to authorize the SLCIDA-LDC to lend up to \$100,000 from the RVRA's Economic Development Fund to Riverside Iron, LLC, and

**BE IT FURTHER RESOLVED** that said loan of up to \$100,000 shall be subject to the following terms and conditions

1. Principal	Up to \$100,000
2. Interest Rate	One-half of prime rate plus 1, the actual rate to be determined at closing and adjusted at the end of the fifth year
3. Term	Ten (10) year amortization schedule
4. Security	Co-proportional first mortgage with the Greater Massena Economic Development Fund on the Gouverneur plant real estate at 21 Water Street, Gouverneur, New York.  Co-proportional first lien with the Greater Massena Economic Development Fund on all Equipment, Machinery, Inventory, Accounts Receivable, and all other assets
5. Other	<ul style="list-style-type: none"><li>• Unlimited Personal Guarantee of Eric S. Tessmer.</li><li>• Cross-corporate Guarantee by ETS, LLC, and subordination of all debts incurred or to be incurred by ETS, LLC to the public lenders.</li><li>• Evidence of acceptably-structured owner financing in an amount no less than \$350,000.</li><li>• Acceptable real estate sale agreement between Riverside Iron Works Corporation and ETS, LLC and an acceptable sale agreement for the machinery and equipment between Riverside Ironworks Corporation and Riverside Iron, LLC.</li><li>• Acceptable lease for the real estate between ETS, LLC. Riverside Iron, LLC.</li></ul>

	<ul style="list-style-type: none"> <li>• Evidence of at least \$100,000 of additional public financing.</li> <li>• Evidence of cash equity in the project of a least \$61,000.</li> <li>• Current or future stockholders' subordination to the public lenders.</li> <li>• Key Man Life insurance on Eric S. Tessmer in an amount sufficient to cover the outstanding balance of the loan.</li> <li>• The Company agrees to create 12 FTE new jobs over the next three years.</li> <li>• Up to \$50,000 in co-proportionate lien status may be shared with another public lender in addition to the Greater Massena Economic Development Fund.</li> </ul>
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**Tabled:**

Move:	Murphy			
Second:	Burns			
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.

\_\_\_\_\_  
Lori Sibley (May 20, 2014)

**Return to Table:**

Move:	Burns			
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.

\_\_\_\_\_  
Lori Sibley (May 28, 2014)

**Accept:**

Move:	Burns			
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.

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Lori Sibley (May 28, 2014)