

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
Resolution No. RVR-18-04-05
April 24, 2018

AUTHORIZING A BRIDGE LOAN OF UP TO \$100,000 TO LC DRIVES CORPORATION

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

WHEREAS, the RVRDA 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, LC Drives (the “Company”) has applied for a bridge loan that will provide part of the financing that is helping the Company to set up a manufacturing operation in Clarkson’s Damon Hall facility (the “Project”), and

WHEREAS, Empire State Development (“ESD”) awarded the Company a \$500,000 capital grant that the Company cannot draw down until it has expended \$2,500,000 in Project-eligible expenses and has met prescribed employment targets, and

WHEREAS, the Company has certified that it has started the drawdown process and assured ESD that it has met both its expenditure and employment goals, and

WHEREAS, since the Company does not expect ESD to reimburse it for the \$500,000 award for perhaps 5-6 months, it has therefore applied to the St. Lawrence River Valley Redevelopment Agency for a loan of \$100,000 for the Project in order to bridge part of the \$500,000 award, and

WHEREAS, the Company has secured commitments to bridge the other \$400,000 of the award from other development agencies, and

WHEREAS, the Company will covenant to repay the entire amount of the RVRDA/IDA-LDC loan within 15 days of its receipt of ESD’s reimbursement,

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence River Valley Redevelopment Agency agrees to lend up to \$100,000 to LC Drives Corporation from the St. Lawrence River Valley Redevelopment Agency loan fund for the Project, 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	Half of the US Prime Rate + 1 at the time of the loan closing
3. Term	Three (3) year amortization schedule
4. Security	A security interest in all machinery and equipment and furniture and fixtures owned by LC Drives
5. Other	<ul style="list-style-type: none">• Unlimited Personal Guarantee of Russell Marvin• The Company agrees to pay back all principal and accrued interest on the loan within 15 days of its receipt of the promised ESD reimbursement• The Company will provide the Agency with evidence prior to closing

	<p>that it has achieved and maintained the prescribed employment levels required for it to receive reimbursement from ESD</p> <ul style="list-style-type: none"> The Company will provide the Agency with acceptable evidence that the Bosch purchase order advance payment has been deposited into the Company's account
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Move:	Strait			
Second:	Clark			
VOTE	AYE	NAY	ABSTAIN	ABSENT
McNeil	X			
Strait	X			
Murphy				X
Clark	X			
Forsythe				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

04/24/18