

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
 LOCAL DEVELOPMENT CORPORATION  
 Resolution No. LDC-17-06-11  
 June 2, 2017

**AUTHORIZING A LOAN OF UP TO \$400,000 to Potsdam Specialty Paper, Inc.**

**WHEREAS**, the St. Lawrence County Industrial Development Agency Local Development Corporation (the “SLCIDA-LDC”) was formed by the St. Lawrence County Industrial Development Agency to relieve and reduce unemployment, to promote and to provide for additional and maximum employment, to better and maintain job opportunities, to instruct or train individuals to improve or to develop their capabilities for jobs, to carry on scientific research for the purpose of aiding the community of St. Lawrence County, New York by attracting industry to the community and by encouraging the development of, or retention of, an industry in the community, and to lessen the burdens of government and to act in the public interest, thus performing an essential governmental function, and

**WHEREAS**, Potsdam Specialty Paper, Inc. (the “Company”) has applied for loan financing as part of a project to the purchase and installation of a complete paper and film coating production line within their Potsdam facility (the “Project”), and

**NOW, THEREFORE, BE IT RESOLVED** that the SLCIDA-LDC agrees to lend up to \$400,000 to Potsdam Specialty Paper, Inc. from its loan fund for the project, and

**BE IT FURTHER RESOLVED** that said loan of up to \$400,000 from the SLCIDA-LDC loan fund shall be subject to the following terms and conditions:

1. Principal	Up to \$400,000
2. Interest Rate	One-half of prime rate plus 1, the actual rate to be determined at closing and adjusted at the end of every five years
3. Term	Forty-Two (42) Month amortization schedule <ul style="list-style-type: none"> <li>• Six (6) Months Interest Only</li> <li>• Thirty-Six (36) Months Principal and Interest</li> </ul>
4. Security	<ul style="list-style-type: none"> <li>• Co-Proportional second lien behind Key Bank on all machinery and equipment, furniture and fixtures, inventory, accounts receivable and general intangibles of Potsdam Specialty Paper Inc. by way of a security agreement and UCC-1 financing statement</li> <li>• Unlimited Corporate Guarantee of Seafront Paper Limited</li> </ul>
5. Other	<ul style="list-style-type: none"> <li>• Unlimited Personal Guarantee of Kenny Zhang</li> <li>• Evidence of owner equity in the project of at least \$560,000 and additional funding in the project of in the amount of at least \$2,040,000</li> <li>• The Company agrees to retain 71 FTE and create at least 22 FTE new jobs within the next three years (minimum fund requirement is \$15,000/job)</li> </ul>

Move:	LaBaff			
Second:	Blevins			
<b>VOTE</b>	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Blevins	X			
Hall	X			
LaBaff	X			
McMahon				X
Staples	X			
Hooper	X			
Weekes				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

June 2, 2017