

SUMMARY TERM SHEET FOR ELONA PROJECT

Commitments of the City

1. Provide Company a construction loan in the amount of \$6,213,845 for a new approximately 50,000 sq. ft. facility on 8.5 acres ("the facility") in the Precedent South Business Park, (includes \$3,000,000 for specialized build-out costs). Building size and acreage are approximations. Funds to be available to the Company upon final approval by the City, execution of the project agreement documents, and in a manner that will be further detailed as part of the final Project Agreement. (To be financed with a maximum \$6,500,000 bond issue to be repaid by the Company over 17 years, back-loaded into the last 14 years of the financing period.)
2. Provide Company a credit toward finance payments equal to the real property taxes paid by the Company during the 17 year financing period.
3. Provide Company a \$500,000 grant usable for equipment purchases, certain infrastructure and construction expenses, and certain soft costs of the project as identified in IC 36-7-14-25.1. (To be paid from RDC's TIF funds on hand.)
4. Provide Company a \$1,500,000 zero interest forgivable loan for expenses incurred for FDA approval of the Company's new insulin product. (To be paid from RDC's TIF funds on hand.) Terms of forgiveness to be incorporated into final Project Agreement. Funds to be available to the Company upon final approval by the City, execution of the project agreement documents, and in a manner that will be further detailed as part of the final Project Agreement.

Commitments of the Company

1. Company to build and operate a pharmaceutical manufacturing facility in Greenwood.
2. Make a total capital investment of \$28 million over the first 10 years of the Project.
3. Retain 11 FTE's and up to 4 contractors, and create 70 new full-time jobs with an average salary of \$55,000 within 5 years, and retain the jobs for at least the 17 year financing period.
4. During Years 4 through 10 of the Project, make finance payments totaling \$1,092,000 annually.
5. During Years 11 through 17 of the Project, make finance payments totaling \$670,000 annually.
6. Company to be responsible for all personal property taxes and property maintenance costs.
7. Provide security to the City for its commitments to the project in the form of the following from the Company:
 - a. Mortgage on the Project Real Estate.
 - b. Full Corporate guarantees from the company and its related entities
 - c. Security interest in the Company's existing physical and intellectual property
 - d. Security interest in the Company's future physical assets, most particularly the new equipment to be purchased for the Project
 - e. Remuneration to the City if the Company should sell a controlling interest in its company(ies) that would affect the Company's commitments. (Otherwise stated as, protection against the Company being bought out and moved during the 17 year financing period.)
8. Agreement is to provide clawbacks in the event Company fails to satisfy its commitments, to be further detailed in the Project Agreement.
9. The Company to sign a commitment providing that in the event the City gives final approval to the Project and the Company chooses to not proceed with the project, the Company will reimburse the City for reasonable professional expenses incurred by the City for the Project.