

PARTICIPATING LOAN AGREEMENT

THIS PARTICIPATING LOAN AGREEMENT (this "Agreement") is made and entered into as of the 10th day of November 2017, by and between ERIE COUNTY GAMING REVENUE AUTHORITY, an Economic Development Financing Authority created pursuant to the Economic Development Financing Law, 73 P.S. §§ 371 *et seq.*, and a body corporate and politic ("ECGRA"), and 1855 CAPITAL PARTNERS, LLC, a Delaware limited liability company ("Borrower").

WITNESSETH:

WHEREAS, Borrower is the sole general partner of 1855 Capital Fund I, LP, a Delaware limited partnership (the "Fund" or the "Partnership");

WHEREAS, ECGRA has been established to provide various forms of economic development financing such as loans for deployment within Erie County, Pennsylvania;

WHEREAS, the Partnership has been formed to acquire debt and equity interests in public and privately held business enterprises in connection with operating as a venture capital fund;

WHEREAS, pursuant to the Amended and Restated Agreement of Limited Partnership of the Fund substantially the same as the draft dated as of October 15th, 2017 and to be executed upon first close of the Fund (the "Partnership Agreement"), Borrower and the other partners of the Fund (the "Partners") have agreed to contribute cash to the capital of the Fund, and are permitted to contribute additional cash to the capital of the Fund (all such agreements to contribute cash to the capital of the Fund referred to collectively as the "Capital Commitments" and all such contributions referred to collectively as the "Capital Contributions");

WHEREAS, ECGRA desires to make a Loan (as defined in Section 2.1 hereof) to Borrower, upon the terms and conditions hereinafter set forth on or about the same time that the Commonwealth Financing Authority makes a similar loan, albeit in the amount of \$2.0 million, pursuant to a Participating Loan Agreement of like kind and tenor to this Agreement;

WHEREAS, Borrower will use the proceeds of the Loan to fund a new Capital Commitment to the Fund in exchange for an interest therein (the "LP Interest"), and the Fund will use Borrower's Capital Contributions along with Capital Contributions of the other Partners and any borrowing by the Fund along with other resources available to the Fund to acquire debt and equity interests in businesses and pay the Fund's costs, expenses and other liabilities and obligations, in each case, pursuant to the terms of the Partnership Agreement; and

WHEREAS, ECGRA has determined that providing the Loan to Borrower, the proceeds of which are to be used as aforesaid, will further the purposes of ECGRA's programs.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS; CONSTRUCTION.

1.1. **Defined Terms.** As used herein, the following terms have the following meanings. Terms used but not defined in this Agreement have the respective meanings given such terms in the Partnership Agreement.

"Additional Capital Contributions" means all Capital Contributions made by Borrower other than those made in respect of Borrower's Initial Capital Commitment.

"Agreement" has the meaning set forth in the preamble hereof.

"ECGRA" has the meaning set forth in the preamble to this Agreement.

"Borrower" has the meaning set forth in the preamble hereof.

"Borrower's Share" means the percentage determined by dividing Borrower's Initial Capital Commitments by the total Initial Capital Commitments of all Partners.

"Business Day" means any day other than a Saturday, Sunday or a day when banks in the Commonwealth of Pennsylvania are authorized or required by statute, regulation or executive order to remain closed.

"Capital Commitments" has the meaning set forth in the fourth recital to this Agreement.

"Capital Contributions" has the meaning set forth in the fourth recital to this Agreement.

"Capital Distributions" means distributions from the Fund to Borrower of either (x) proceeds from a disposition of Securities by the Fund or (y) Securities distributed in kind by the Fund in accordance with the Partnership Agreement, that in either case are attributable to Borrower's Share of the Initial Capital Commitments of the Partners. "Capital Distributions" shall not include any Operating Distributions or any distributions from the Fund to Borrower attributable to any Additional Capital Contributions, or any distributions to Borrower from the Fund that are based upon a percentage other than Borrower's Share of the Initial Capital Commitments of the Partners (e.g., "carried interest" distributions).

"Capital Percentage" means, with respect to any Security, the percentage determined by dividing the cost basis of such Security to the Fund by the cost basis of all Securities to the Fund.

"Collateral" has the meaning set forth in Section 4.1 hereof.

"Confidential Information" means all confidential information regarding the Fund, the General Partner, the Manager and their respective Affiliates, including the terms and conditions of this Agreement, the Partnership Agreement, the identity of other Partners in the Fund, and all financial statements, tax reports, portfolio valuations and reviews or analyses of potential or

actual investments, and all other documents and information concerning the affairs of the Fund, its consummated or proposed investments, including the terms and conditions or status of any proposed or consummated investment, or any other information about portfolio companies of the Fund (including regarding their operations, management, performance or prospects), that ECGRA may receive pursuant to this Agreement, or by reason of its relationship with Borrower and the Fund.

"Dedicated Account" means an account established and maintained in accordance with Section 2.3 hereof.

"Dedicated Funds" means an amount equal to the Operating Distributions and Capital Distributions received by Borrower, each multiplied by the Participation Percentage. If any Operating Distributions or Capital Distributions include any property other than cash, the amount included as Dedicated Funds shall include a proportionate share of such property, determined as set forth in Section 3.2 hereof.

"Deemed FMV" has the meaning set forth in Section 3.3.

"Default" means an event which but for the lapse of time, the giving of notice or the fulfillment of any other condition would be an Event of Default.

"Drawdown Amount" means the amount withdrawn from the Dedicated Account to fund a portion of Borrower's Capital Contributions in accordance with Section 2.5.

"Event of Default" means any event or condition set forth in Section 9.1 hereof, provided that any requirement for notice, lapse of time, or both, or any condition set forth in Section 9.1 shall have been satisfied.

"Financial Statements" means (i) with respect to the Fund, financial statements prepared in accordance with GAAP consistently applied throughout the periods involved and (ii) with respect to the Borrower, financial statements internally prepared that accurately portray the Borrower's true financial picture in accordance with principles consistently applied throughout the periods involved until such time as the Borrower has financial statements internally prepared in accordance with GAAP consistently applied throughout the periods involved, in which case financial statement shall mean such financial statements internally prepared in accordance with GAAP.

"Fiscal Year" means a fiscal year of Borrower ending on December 31.

"Fixed Interest" means simple interest calculated at the rate of six percent (6%) per annum on the outstanding balance of the Drawdown Amount.

"Fund" has the meaning set forth in the first recital to this Agreement.

“Funding” means the funding of the Loan, which shall occur as soon as practicable following fulfillment of the conditions set forth in Section 8 hereof.

“Fund Level Information” means any of the following information: (i) the fact that ECGRA has provided a loan to the Borrower and/or that ECGRA has an indirect interest in the Fund; (ii) the name, address and vintage year of the Fund; (iii) the aggregate dollar amount of the Loan; (iv) the aggregate dollar amount of the Drawdown Amount; (v) the aggregate dollar amount of distributions received either directly or indirectly by ECGRA from the Fund; (vi) the aggregate remaining value of Fund assets attributable to the Loan (as reported to ECGRA by Borrower); (vii) ECGRA’s net internal rate of return with respect to the Fund as prepared by ECGRA; (viii) the investment multiple of the Fund as determined by ECGRA; (ix) the dollar amount of the aggregate management fees and Fund expenses paid on an annual fiscal year end basis directly or indirectly by ECGRA to the Fund; and (x) the aggregate dollar amount of realized gains (or losses) directly or indirectly received by (or allocated to) ECGRA by reason of the Fund’s operations.

“Fund Overview” has the meaning set forth in Section 5.6.

“GAAP” means U.S. generally accepted accounting principles as in effect from time to time.

“Information Request” has the meaning set forth in Section 6.6(c) hereof.

“Initial Capital Commitment” means, with respect to any Partner, the amount as of the date hereof that such Partner has committed to contribute to the capital of the Fund, including with respect to Borrower the amount Borrower has committed with respect to the proceeds of the Loan.

“Initial Capital Contributions” means all Capital Contributions made by any Partner (including Capital Contributions of Borrower funded with proceeds of the Loan) up to and solely in respect of the amount of such Partner’s Initial Capital Commitment.

“Liquidation Proceeds” means all amounts received by the Borrower from the Fund in connection with a Dissolution Event (as defined in the Partnership Agreement”).

“Loan” has the meaning set forth in Section 2.1 hereof.

“LP Interest” has the meaning set forth in the sixth recital to this Agreement.

“LP Interest Obligations” has the meaning set forth in Section 2.3 hereof.

“Marketable Securities” means securities of a class that are (i) traded on a national securities exchange, (ii) quoted on the National Association of Securities Dealers, Inc. Automated Quotation System, or (iii) otherwise traded over-the-counter and for which quotations of market prices are readily available and (x) are freely transferable pursuant to Rule 144

promulgated under the Securities Act, without being subject to any volume restriction set forth in Rule 144(e) under the Securities Act, other than restrictions arising from ECGRA's relationship with the issuer of such securities (other than by reason of its status as lender under this Agreement) and (y) are not subject to any contractual restriction on transfer.

"Maturity Date" means the date on which the last of the distributions of the Liquidation Proceeds are made by the Partnership to its Partners pursuant to the Partnership Agreement following the dissolution of the Partnership (it being understood that the Borrower intends to only request an extension of the Partnership's term beyond the tenth anniversary of the Final Closing Date and the two consecutive one-year periods provided for in Section 8.1 of the Partnership Agreement, if it determines that such extension is necessary or appropriate in light of the prevailing circumstances of the Partnership at the time).

"Minimum Interest" means interest equal to all earnings on Temporary Investments of amounts in the Dedicated Account, plus all Operating Distributions attributable to Borrower's Initial Capital Commitment multiplied by the Participation Percentage.

"Note" has the meaning set forth in Section 2.1 hereof.

"Notification Agreement" has the meaning set forth in Section 2.4 hereof.

"Operating Distributions" means interest, dividend and other interim distributions from the Fund to Borrower that are attributable to Borrower's Share of the Initial Capital Commitments of the Partners but that are not Securities or the proceeds of a disposition of Securities by the Fund. "Operating Distributions" shall not include any Capital Distributions or any distributions from the Fund to Borrower attributable to any Additional Capital Contributions, or any distributions to Borrower from the Fund that are based upon a percentage other than Borrower's Share of the Initial Capital Commitments of the Partners (e.g., "carried interest" distributions).

"PA Law" and "PA Laws" has the meaning set forth in Section 6.8(c) hereof.

"Participation Percentage" means a fraction, the numerator of which is \$500,000 and the denominator of which is the total Initial Capital Commitment of Borrower including the amount to be funded with the proceeds of the Loan.

"Participating Interest" means an amount equal to (A) (i) Capital Distributions to Borrower of Securities or the proceeds of a disposition of Securities by the Fund attributable to Borrower's Initial Capital Commitment and to the extent in excess of Borrower's Share of the Initial Capital Contributions allocable to such Securities, multiplied by (ii) the Participation Percentage, reduced by (B) payments to ECGRA of Fixed Interest.

"Partners" has the meaning set forth in the fourth recital to this Agreement.

"Partnership" has the meaning set forth in the first recital to this Agreement.

"Partnership Agreement" has the meaning set forth in the fourth recital to this Agreement.

"Payment Date" means each January 5 and July 5 (provided that if such date is not a Business Day then the Payment Day will mean the next Business Day thereafter) commencing January 5, 2018 and continuing through to the Maturity Date.

"Permitted Liens" means liens for (i) (A) taxes, assessments or similar charges or (B) mechanics, materialmen, warehousemen, carriers and the like, which are not yet due and payable or are being contested in good faith; (ii) pledges or deposits made to secure payment of workmen's compensation or to participate in any fund in connection with workmen's compensation, unemployment insurance, pension plans and other types of employee benefits, or (iii) liens incurred to secure indebtedness permitted by Section 7.2, provided that no such indebtedness shall be secured by any interest in the Dedicated Account.

"Principal Payment Amount" means an amount equal to (A) (i) Borrower's Initial Capital Contributions attributable to all Securities disposed of or distributed by the Fund in connection with all Capital Distributions on a cumulative basis up to the date of determination of the Principal Payment Amount (the amount attributable to such Securities determined by multiplying Borrower's total Initial Capital Contributions by the Capital Percentage attributable to such Securities disposed of or distributed by the Fund), multiplied by (ii) the Participation Percentage, reduced by (B) prior amounts paid by Borrower as a Principal Payment Amount.

"Security Instruments" has the meaning set forth in Section 4.2 hereof.

"Securities" means any equity interests in any business (including common and preferred stock, warrants, rights, put and call options, and interests in partnerships and limited liability companies), and any notes, bonds, debentures or other evidences of indebtedness commonly regarded as securities, that are acquired by the Fund with the Partners' Initial Capital Contributions, or acquired by the Fund in exchange for any Securities acquired by the Fund.

"Temporary Investments" means investments in short-term cash equivalent securities such as certificates of deposit, time deposits, demand deposits, repurchase agreements, and money market funds.

1.2. Construction. As used herein, the words "include," "includes" or "including" and words of similar import shall, unless otherwise stated, be deemed to be followed by the words "without limitation."

SECTION 2. THE LOAN.

2.1. Commitment. Subject to the terms and conditions hereinafter set forth, ECGRA agrees to lend to Borrower the principal amount of Five Hundred Thousand and 00/100 Dollars (\$500,000) (the "Loan"). The Loan shall be evidenced by a note (the "Note") substantially in the form attached as Exhibit A.

2.2. Limited Recourse. The Loan will be non-recourse to the members of Borrower (*i.e.*, such parties shall have no liability for repayment of the Loan) and, except as provided in Section 3.4, to the assets of Borrower other than the Collateral, and ECGRA shall look solely to the Collateral for repayment of the Loan.

2.3. Dedicated Account. Concurrently with the execution and delivery of this Agreement, Borrower has established a segregated account (the "Dedicated Account") into which Borrower shall deposit the proceeds of the Loan as it is advanced to Borrower and to which thereafter Borrower shall deposit all Dedicated Funds received by Borrower. Subject to the satisfaction of the conditions set forth in Section 8 below, ECGRA shall fund the full amount of the Loan to the Borrower on the date hereof by wire transfer or check of immediately available funds to the Dedicated Account. Proceeds of the Loan that have not been withdrawn from the Dedicated Account pursuant to Section 2.5, and cash Dedicated Funds placed in the Dedicated Account pursuant to the preceding sentence, shall be invested in Temporary Investments until such time as payments on the Loan shall be made to ECGRA from the Dedicated Account. Borrower shall not deduct any amount from the Dedicated Funds or withdraw any amounts from the Dedicated Account other than to (1) fund a portion of Borrower's Capital Contributions pursuant to Section 2.5, (2) make Temporary Investments, (3) fund Borrower's obligation to make a recontribution or other payment solely in respect of the LP Interest and in accordance with the Partnership Agreement (collectively, the "LP Interest Obligations"), and (4) repay the Loan and make payments to ECGRA of any applicable Minimum Interest, Fixed Interest or Participating Interest.

2.4. Notification and Control Agreement. Borrower shall cause the bank or depository institution into which the Dedicated Funds are placed to enter into a Notification and Control Agreement (the "Notification Agreement"), in a form that is acceptable to ECGRA, that is for the benefit of ECGRA as Borrower's secured lender.

2.5. Drawdown. As and when Borrower makes an Initial Capital Contribution, Borrower shall withdraw from the Dedicated Account an amount equal to the Initial Capital Contribution to be made multiplied by the Participation Percentage (the "Drawdown Amount"), and shall use the entire Drawdown Amount to fund part of the Initial Capital Contribution. Once the aggregate Drawdown Amount equals \$500,000, Borrower shall not make any further withdrawals from the Dedicated Account for the purpose of funding Capital Contributions or otherwise, except as contemplated by subparts (1) through (4) of Section 2.3 above.

SECTION 3. REPAYMENT TERMS.

3.1. Payment Schedule. On each Payment Date prior to the Maturity Date, Borrower shall pay to ECGRA the Minimum Interest accrued and not yet paid as of such Payment Date. The unpaid principal of the Loan, together with all accrued but unpaid Fixed Interest and Participating Interest, shall be due and payable in full on the Maturity Date, except as otherwise provided in this Agreement.

3.2. Mandatory Prepayment. Except as otherwise provided herein, the Loan may not be prepaid, in whole or in part, prior to the Maturity Date. Notwithstanding the foregoing but subject to Section 3.3 with respect to any Capital Distribution that includes property other than cash and subject to Section 2.3, Borrower shall pay to ECGRA from the Dedicated Account all Dedicated Funds within thirty (30) days after such Dedicated Funds are received by Borrower. Such prepayment shall be applied, without penalty, first to the principal of the Loan to the extent of the Principal Payment Amount, then as a payment of accrued and unpaid Fixed Interest, and then as a payment of accrued and unpaid Participating Interest. Within thirty (30) days after the Fund has made the final distribution of the Liquidation Proceeds to the Partners pursuant to the Partnership Agreement, the entire unpaid principal balance of the Loan, together with all accrued but unpaid Minimum Interest, Fixed Interest, and Participating Interest, shall be due and payable. If any Capital Distribution includes property other than cash, the amount treated as Dedicated Funds to be paid to ECGRA pursuant to this Agreement shall be deemed to be the appropriate portion of the fair market value of such property on the date received by Borrower (as determined by the Fund in connection with making such Capital Distribution), and, except as provided in Section 3.3, Borrower shall transfer such portion of such property as directed by ECGRA as payment to ECGRA in accordance with this Section 3.2. At ECGRA's request, Borrower shall use commercially reasonable efforts to convert any such property received from the Fund to cash and distribute such actual cash received to the Dedicated Account in lieu of such property, with any gain or loss from sale (relative to fair market value) for the benefit of, or borne solely by ECGRA.

3.3. Capital Distribution of Equity Securities. If any Dedicated Funds include Securities that constitute an equity interest in any business entity, at the request of ECGRA, Borrower shall either sell such Securities and distribute the net proceeds of such sale to ECGRA from the Dedicated Account, or retain such Securities in the Dedicated Account until such time as ECGRA directs Borrower to either transfer such Securities to ECGRA or sell such Securities and distribute the net proceeds of such sale to ECGRA; provided, however, that following such request of ECGRA, Borrower shall not be obligated to sell such Securities and distribute the net proceeds of such sale to ECGRA or transfer such Securities to ECGRA until such time as the sale or transfer of such Securities by Borrower (x) does not violate applicable securities laws or investment letter restrictions on the sale or transfer of such Securities, (y) does not subject Borrower to any additional regulatory or reporting requirements and (z) would otherwise be prudent in light of Borrower serving as the general partner of the Fund as determined by Borrower in good faith. Notwithstanding any election by ECGRA pursuant to this Section 3.3 (including an election to require Borrower to sell such Securities), (a) the fair market value of such Securities (as determined by the Fund in connection with making the related Capital Distribution of such Securities) (their "Deemed FMV"), and not the amount of any net sale proceeds thereof, shall be deemed to be the amount treated as a payment to ECGRA pursuant to Section 3.2 at the time such Securities are received by Borrower notwithstanding that (i) the fair market value of such Securities at the time of their sale or transfer pursuant to this Section 3.3 may be greater or less than their Deemed FMV and (ii) the actual net proceeds received by Borrower in connection with any sale of such Securities at the request of ECGRA, and thus the amount actually paid to ECGRA as a result, may be greater or less than their Deemed FMV (it being understood that Borrower shall nevertheless only be obligated to pay to ECGRA pursuant

to Sections 3.2 and 3.3 an amount equal to such actual net proceeds), and (b) if ECGRA has not directed Borrower to sell or transfer such Securities by the earlier of the date Borrower is liquidated or one (1) month after such Securities are not subject to a "lock-up" or other regulatory or contractual restriction on sale, Borrower may transfer such Securities to ECGRA without regard to any election by ECGRA.

3.4. Payment at Maturity or on an Event of Default.

(a) On the Maturity Date (unless the Loan has been fully prepaid pursuant to Sections 3.2 and 3.3) or on the date of an Event of Default under this Agreement, the entire unpaid principal balance of the Loan together with all unpaid Minimum Interest, Fixed Interest, and Participating Interest shall be determined and paid pursuant to this Section 3.4. The unpaid Participating Interest shall be the amount that would constitute Participating Interest if all remaining Securities and other property held by the Fund were sold by the Fund at their fair market value (as determined in accordance with the Partnership Agreement) on the Maturity Date or the date of the Event of Default, as the case may be, and Borrower's final distributions (as described in Article 8 of the Partnership Agreement) attributable to the LP Interest was distributed to Borrower.

(b) The fair market value of the Securities shall be determined in accordance with the valuation methodology set forth in the Partnership Agreement relating to distributions in kind.

(c) Payment of all amounts due pursuant to this Section 3.4 shall be made as follows: Borrower shall deposit in the Dedicated Account, to be paid to ECGRA from the Dedicated Account pursuant to this Agreement, an amount equal to the amount that would constitute Dedicated Funds if the Fund sold all of its remaining assets for their fair market value (determined in accordance with subsection (b) above), paid all of the Fund's liabilities, and distributed the net proceeds to the Partners in liquidation of the Fund. Borrower's deposit of all amounts required to be deposited in the Dedicated Account pursuant to this subsection (c) shall be in complete satisfaction of all amounts owed to ECGRA pursuant to this Agreement. If Borrower fails to deposit in the Dedicated Account any portion of the amount required to be so deposited pursuant to this subsection (c), or fails to pay such amounts over to ECGRA, Borrower shall be liable for payment to ECGRA of the amounts not so deposited, or not paid over, and ECGRA may pursue any remedies to which it may be entitled hereunder and under the Notification Agreement, but no member of Borrower shall be personally liable for payment of any part of the foregoing amounts (including any part of the unpaid Loan balance).

SECTION 4. SECURITY.

4.1. Grant of Security Interest. As consideration for the Loan, and to secure the prompt and punctual payment of the Loan when due, Borrower hereby grants to ECGRA a security interest in the Dedicated Account and the Dedicated Funds, and the proceeds of the foregoing (the "Collateral").

4.2. Security Instruments. Borrower covenants and agrees to execute, deliver and cause to be filed of record such financing statements or other documents or instruments (the "Security Instruments") as ECGRA may from time to time reasonably request in order to secure, maintain, perfect or continue the first priority security interest granted to ECGRA herein. Borrower shall pay all expenses incurred in connection with the preparation, execution, delivery and filing of the Security Instruments (other than the fees and expenses of counsel to ECGRA).

4.3. Rights with Respect to Collateral. ECGRA shall have all rights and remedies with respect to the Collateral which are provided in the Uniform Commercial Code, as enacted and construed in the Commonwealth of Pennsylvania.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

In order to induce each other to enter into this Agreement, Borrower and ECGRA represent and warrant to each other (which representations and warranties shall survive the execution and delivery of this Agreement and the Note) as follows:

5.1. Organization and Qualification. Borrower represents and warrants to ECGRA that Borrower is a limited liability company and the Fund is a limited partnership and that each is duly organized, validly existing and in good standing under the laws of the State of Delaware and that the Manager is authorized to do business and is in good standing in the Commonwealth of Pennsylvania.

5.2. Power and Authorization. Borrower and ECGRA represent and warrant to each other with respect to itself that such party has the power and authority to execute, deliver and perform this Agreement, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and that this Agreement has been duly executed by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms (except as enforceability hereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally).

5.3. Capital Contributions. Borrower represents and warrants that the Fund has received Capital Commitments of at least \$5 million and Initial Capital Contributions of at least \$1 million from the Partners, excluding Borrower's Capital Commitment and Initial Capital Contributions to be made with the proceeds of the Loan.

5.4. No Legal Bar. Borrower and ECGRA represent and warrant to each other with respect to itself that the execution, delivery and performance by such party of this Agreement, and the execution, delivery and filing of the Security Instruments, will not violate the organizational documents or agreements governing such party or any agreement of such party or any applicable statute or regulation, any order, judgment, decree or award of any court, arbitrator or governmental authority, or any mortgage, indenture, security agreement, contract, undertaking or other agreement to which such party is a party or which purports to be binding upon such party or upon any of its assets.

5.5. First Priority Security Interest. Borrower represents to ECGRA that upon the filing of financing statements with the appropriate offices in Delaware and entering into the Notification Agreement with the financial institution at which the Dedicated Account is established, ECGRA will have a duly and validly perfected first priority security interest in the Collateral.

5.6. Fund Overview; Reliance on Advisors. ECGRA acknowledges that it has been furnished with copies of the Fund's corporation PowerPoint investor presentation (the "Fund Overview") and the Partnership Agreement. ECGRA is entering into, and providing the Loan to Borrower under, this Agreement relying solely on the information contained in this Agreement, the Fund Overview and the Partnership Agreement (and the other agreements referred to in the Partnership Agreement), and not on any other statement (whether oral or written) made by the Partnership, the General Partner, the Manager, any placement agent for the Partnership or any officer, director, employee, stockholder, member or affiliate of any of them. With regard to the tax, legal, economic and other considerations relating to making the Loan, ECGRA represents and warrants that it is relying only on the advice of, and has consulted only with, its own professional advisors.

5.7 Disclosure. ECGRA acknowledges that representatives of Borrower have provided ECGRA the opportunity to ask questions of and receive answers from them concerning the Fund, and to obtain any additional information necessary to verify the information contained in the Fund Overview or otherwise relative to the proposed activities of the Fund. ECGRA further acknowledges that assumptions, estimates and budgets contained in the Fund Overview have been included for illustration purposes only, and actual results may not correspond with historic results of the Fund managers or projected results contemplated by the assumptions set forth therein.

5.9 Status. ECGRA represents and warrants that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

SECTION 6. AFFIRMATIVE COVENANTS.

For so long as the Loan shall be outstanding, unless ECGRA shall otherwise consent in writing, Borrower covenants and agrees as follows:

6.1. Use of Proceeds. Subject to the requirements of 6.1.1 and 6.1.2 below, Borrower will utilize the proceeds of the Loan solely for the purposes set forth in Sections 2-5 of this Agreement.

6.1.1. Match. ECGRA requires Borrower to match ECGRA's investment in the Fund at the level of 1:1. Accordingly, prior to the Maturity Date, Borrower shall make available an amount of at least \$1,000,000 for investment in businesses with substantial operations located within Erie County, Pennsylvania.

6.1.2. Use of Proceeds in Erie County. Borrower will make commercially reasonable efforts to identify investment opportunities in businesses with substantial operations located within Erie County, Pennsylvania, and to fund such opportunities with the funds loaned pursuant to this Agreement and the Match required in Section 6.1.1.

6.2. Financial Information.

(a) Borrower will deliver to ECGRA at the address set forth in Section 10.3 a quarterly report showing the source and application of the funds held in the Dedicated Account and an annual report showing same which annual report shall reconcile the beginning and ending cash balances as of the beginning and end of the Fiscal Year, as per the bank statements, copies of which shall be provided by Borrower, with each deposit to and withdrawal from the Dedicated Account. Such deposit and withdrawal amounts shall be reconciled to the distributions from and Capital Contributions to the Fund that are attributable to the LP Interest. Each of the foregoing reports shall include a statement of Borrower's Chief Financial Officer or, if the Borrower has no Chief Financial Officer, a Managing Member, on behalf of the Borrower, attesting to the accuracy of such information; provided that the Chief Financial Officer or such Managing Member, as the case may be, shall not be personally liable for any inaccuracies in any statements delivered pursuant to this Section 6.2.

(b) No later than 30 days after annual Financial Statements for the Fund are due to be delivered under the terms of the Partnership Agreement, Borrower will deliver to ECGRA Financial Statements of Borrower and the Fund for the preceding Fiscal Year. Such Financial Statements shall be, with respect to the Fund, certified by a firm of independent certified public accountants to have been prepared in accordance with GAAP consistently applied throughout the periods involved.

(c) Borrower shall also provide ECGRA with information about the activities of the Fund from time to time, as reasonably requested, including, at a minimum: (i) all financial and other reports provided to Partners pursuant to the Partnership Agreement; (ii) those "Semi-Annual Progress Reports" required by the Commonwealth of Pennsylvania under its "Innovate in PA: Venture Investment Program" (examples of such reports in the form presently required, albeit subject to change subsequently with the consent of Borrower not to be unreasonably withheld, are attached hereto as Exhibit "B").

6.3. Presence in Pennsylvania. Borrower shall cause the Manager to maintain a substantial presence in Pennsylvania.

6.4. Preservation of Existence. Borrower shall cause the Manager to do all things necessary to preserve in full force and effect its good standing as a foreign limited liability company under the laws of the Commonwealth of Pennsylvania.

6.5. Compliance with Laws. Borrower will comply in all material respects with all statutes, ordinances, rules and regulations from time to time in effect of the United States and of

any state or municipality or of any agency or instrumentality of any thereof insofar as any of the foregoing is applicable to this Agreement.

6.6. Maintenance of Records; Right to Inspect; Confidentiality Right-to-Know-Law Disclosures.

(a) Borrower shall maintain books and records relating to receipt and disbursement of funds in connection with its operation and the operations of the Fund and Borrower in accordance with GAAP consistently applied. Upon reasonable prior notice from ECGRA to Borrower, Borrower will allow duly authorized representatives of ECGRA to examine and copy such books and records during regular business hours for the sole purpose of verifying compliance by Borrower with the terms of this Agreement. Borrower shall provide ECGRA with a copy of any report provided by the Fund to the Partners pursuant to the terms of the Partnership Agreement, subject to Borrower's right not to provide ECGRA with any such report (or excerpts of information contained therein) to the same extent Borrower would be able to withhold such information from a Limited Partner as contemplated by Section 9.17(b) of the Partnership Agreement.

(b) Subject to subsection (c) below, ECGRA agrees that it will be bound by the confidentiality provisions of Section 3.8 of the Partnership Agreement with respect to any Confidential Information as if it were a Limited Partner of the Partnership.

(c) Borrower hereby acknowledges that ECGRA is subject to certain Pennsylvania statutes, rules and regulations concerning so-called "sunshine laws," including Pennsylvania's Right-to-Know-Law (each, a "PA Law" and collectively, the "PA Laws") and Borrower agrees to comply with the provisions related to the PA Laws as set forth in Exhibit "C" hereto with respect to Fund Level Information and other information that has been provided to ECGRA from time to time. ECGRA shall be entitled to disclose, as required by any such PA Law to which ECGRA is subject, Confidential Information comprised of summary information concerning the Fund's financial performance and status, including Fund Level Information and other Confidential Information received by ECGRA from the Fund. Notwithstanding any provisions to the contrary in the Partnership Agreement, this Agreement or any other governing document, Borrower hereby consents to disclosure by ECGRA of such Fund Level Information and information that any PA Law may require ECGRA to disclose in the future, including on its website or to any Person upon a request made by such Person, pursuant to any PA Law to which ECGRA is now, or may in the future be, subject; provided that, any disclosure by ECGRA of Fund information other than Fund Level Information pursuant to any such PA Law is the minimum amount of disclosure that will satisfy such PA Law. In the event that ECGRA receives a request for public disclosure of any Fund information other than Fund Level Information (each information request, an "Information Request"), ECGRA shall, subject to Borrower's compliance with the provisions relating to the PA Laws set forth in Exhibit "C" hereto: (i) promptly notify Borrower of such Information Request, (ii) promptly provide Borrower with a copy of such Information Request or a summary of the information being requested, and (iii) provide Borrower a reasonable opportunity to consult with ECGRA regarding the response to such Information Request; provided, that, notwithstanding the foregoing, Borrower will not be

required to provide any Fund information to ECGRA in response to an Information Request, other than Fund Level Information, to the extent such information is not previously in ECGRA's possession. ECGRA agrees that in connection with any disclosure by it of Fund Level Information it will also concurrently disclose the internal rate of return and investment multiple of the Fund as calculated by Borrower and disclosed to ECGRA.

6.7. Nondiscrimination/Sexual Harassment. Borrower and its subsidiaries will not discriminate against or intimidate any employee or any applicant for employment because of gender, race, creed, or color, in any manner, including but not limited to the following activities: employment; upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Borrower hereby accepts and agrees to be bound by the nondiscrimination/sexual harassment provisions set forth in Exhibit "D" hereto.

SECTION 7. NEGATIVE COVENANTS.

For so long as the Loan shall be outstanding, unless ECGRA shall otherwise consent in writing, Borrower covenants and agrees as follows:

7.1. Business Activities of Partnership. Borrower will not cause the Fund to engage in any business activity other than as permitted by the Partnership Agreement.

7.2. Indebtedness of Borrower. Other than the indebtedness created hereby, Borrower will not create, assume or suffer to exist any indebtedness of Borrower except (i) indebtedness incurred in the ordinary course of business; (ii) indebtedness secured by purchase money security interests; (iii) indebtedness incurred in connection with the repurchase of equity interests in Borrower from members of Borrower; and (iv) indebtedness for money borrowed so long as indebtedness for money borrowed pursuant to this clause (iv) does not exceed \$500,000 at any one time outstanding.

7.3. Creation of Liens. Borrower will not create, incur, assume or suffer to exist any mortgage, security interest, lien or encumbrance on any of its assets except Permitted Liens, liens and security interests in favor of ECGRA, and purchase money security interests financing the acquisition of additional assets.

7.4. Amendment of Limited Partnership Agreement. Borrower will not consent to the amendment of any provision of the Partnership Agreement that would reduce or defer any Operating Distributions or Capital Distributions to Borrower except to the extent such amendment would apply to all of the Partners of the Fund.

SECTION 8. CONDITIONS.

The obligation of ECGRA to make any given advance under the Loan shall be subject to the fulfillment of the following conditions:

8.1. Note; Payment of Origination Fee. Borrower shall have executed and delivered a Note to ECGRA. Borrower shall also have submitted a check, or completed a wire transfer, for the benefit of ECGRA in an amount equal to one percent (1%) of the amount of the Loan.

8.2. Certificates of Limited Partnership. Borrower shall have delivered to ECGRA certified copies of the certificate of limited partnership of the Partnership and limited liability company certificate of Borrower, each certified by the Secretary of the State of Delaware, together with certified copies of evidence of the Manager's authority to conduct business in the Commonwealth of Pennsylvania.

8.3. Managing Member's Certificate. Borrower shall have delivered to ECGRA a certificate of a Managing Member stating that the Partnership Agreement, in the form executed by the parties thereto and made available to ECGRA, continues in full force and effect at the date of Funding and has not been amended or modified.

8.4. Dedicated Account; Capital Contributions. Borrower shall have delivered to ECGRA a certificate of a Managing Member of Borrower certifying (i) the establishment of the Dedicated Account and the institution or institutions at which the Dedicated Account will be established, and (ii) as to the aggregate amount of (a) Initial Capital Commitments and (b) Initial Capital Contributions.

8.5. Security Instruments. Borrower shall have executed, filed and delivered copies to ECGRA, in form and substance reasonably satisfactory to ECGRA, of the documents described in Section 5.5 with respect to the security interest granted to ECGRA pursuant to Section 4.1 hereof.

8.6. Representations and Warranties. The representations and warranties contained in Section 5 hereof shall be true and correct in all material respects on the date of Funding or the Loan, and no Default or Event of Default shall have occurred and be continuing on such date.

SECTION 9. EVENTS OF DEFAULT.

9.1. Events of Default. "Event of Default" means any one of the following events:

(a) Borrower shall default in the payment of principal or interest on the Loan pursuant to Section 3 hereof for a period of more than ten (10) days after the date such payment was due;

(b) Any representation or warranty made by Borrower in this Agreement shall be untrue in any material respect at the time such representation or warranty was made or delivered and any such breach of representation or warranty has not been cured, if susceptible to cure, within thirty (30) days after receipt by Borrower of written notice of such breach from ECGRA;

(c) Borrower shall default in the performance of any covenant (other than a covenant a default in the performance of which is specifically dealt with elsewhere in this Section 9.1) and such default continues for a period of ninety (90) days after receipt by Borrower of written notice of such default from ECGRA, or if such cure cannot be reasonably effected within such ninety (90) day period, Borrower fails either promptly to commence curing of such default or, having commenced such cure, in the reasonable opinion of ECGRA, Borrower fails diligently and continuously to work toward curing such default;

(d) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Borrower in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Borrower or for any substantial part of its properties or ordering the winding up or liquidation of their respective affairs, and such decree or order shall remain unstayed and in effect for a period of ninety (90) consecutive days;

(e) The commencement by Borrower of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent by Borrower to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Borrower or for any substantial part of its properties; or

(f) Borrower shall make any general assignment for the benefit of creditors.

(g) Notwithstanding the foregoing, Borrowers failure to comply with Section 6.1.2., pertaining to Use of Proceeds in Erie County, shall not be considered an Event of Default, so long as Borrower has made commercially reasonable efforts to identify investment opportunities within Erie County, Pennsylvania, on a regular and sustained basis.

9.2. Acceleration of Maturity. Upon the occurrence of any Event of Default, ECGRA, at its option, may declare the Note to be immediately due and payable, whereupon the outstanding principal amount of the Note, together with interest accrued thereon in the manner set forth in Section 3 hereof, and all other amounts payable thereunder, shall become immediately due and Payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Note to the contrary notwithstanding.

9.3 Basic Remedies. Upon the occurrence of an Event of Default, in addition to the remedies provided herein and in the Notification Agreement, ECGRA will have the immediate right to pursue any or all of the remedies available to a secured party under the UCC, including, but not limited to: (i) the right to immediate possession of the Collateral; (ii) the right to apply the proceeds of the Collateral to the Loan; and (iii) the right to recover attorneys' fees and legal expenses.

9.4 Equitable Remedies. If an Event of Default shall occur pursuant to Section 9.1(d) hereof or if an Event of Default shall occur pursuant to Section 9.1(c) by reason of any default by

Borrower in the performance of any of the covenants set forth in Sections 6.1, 7.1, or 7.2, ECGRA shall be entitled to the following relief, in addition to any other remedies which may otherwise be available hereunder and under the Note and Notification Agreement and without proving actual damages or otherwise establishing the propriety of such relief:

(a) a temporary, preliminary or permanent injunction against the event giving rise to such Event of Default; and/or

(b) a decree for the specific performance of the relevant provision hereof.

SECTION 10. MISCELLANEOUS.

10.1. No Waiver. No delay or failure by ECGRA in exercising any right, power, or privilege, nor any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege, shall preclude any further exercise thereof. Any waiver, permit, consent or approval of any kind or character on the part of ECGRA of any breach or default under this Agreement or any waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

10.2. Modification or Waiver. The terms, conditions and covenants of this Agreement, the Note, the Notification Agreement and all supporting documentation may only be modified or waived by a written document executed by Borrower and ECGRA.

10.3. Notices and Consents. All notices and consents required or permitted hereunder shall be in writing and deemed to be properly given when personally delivered to the party entitled to receive such notice or when sent by facsimile (with a copy sent by first class U.S. Mail) or certified or registered mail, or nationally recognized overnight delivery service, in each case postage prepaid, properly addressed to the party entitled to receive such notice at the address listed below:

To Borrower:

1855 Capital Partners
200 Innovation Blvd
Suite 201C
State College, PA 16803
Attention: Matt Rhodes
Email: matt@1855capital.com

and

Ben Franklin Technology Partners
Knowledge Park, Suite 202
5340 Fryling Road
Erie, PA 16510
Attention: Steve Brawley
Email: stevebrawley@psu.edu

With a copy to (which shall not constitute notice):

McNees Wallace & Nurick LLC
100 Pine Street
Harrisburg, PA 17101
Attention: Michael L. Hund
Email: MHund@mcneeslaw.com
Telephone: 717-237-5483
Facsimile: 717-260-1715

To ECGRA:

Erie County Gaming Revenue Authority
Knowledge Park, Suite 201
5340 Fryling Road
Erie, PA 16510
Attention: Perry Wood

Telephone: 814-897-2690
Email: pwood@ecgra.org

With a copy to (which shall not constitute notice):

Knox McLaughlin Gornall & Sennett, P.C.
120 West 10th
Erie, PA 16510
Attention: Timothy S. Wachter
Telephone: 814-459-2800
Email: twachter@kmgslaw.com

Any change in the above addresses shall be made by sending a notice thereof as provided in this Section 10.3.

10.4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and ECGRA and their respective successors and assigns, except that neither party may assign or transfer any of its rights or interests hereunder (other than in the case of such an assignment or transfer by ECGRA to any other agency or instrumentality of the Commonwealth of Pennsylvania) without the prior written consent of the other, which shall not be unreasonably withheld.

10.5. Captions. The captions of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to define, expand or limit the provisions hereof.

10.6. Severability. Any provision of this Agreement or the Note which is rendered or declared invalid or unenforceable by or pursuant to law or governmental rules or regulations shall not invalidate or affect the legality and enforceability of the remaining provisions hereof or the Note.

10.7. Controlling Law. This Agreement and the Note are to be executed in the Commonwealth of Pennsylvania and shall be construed under, and the rights and obligations of the parties hereunder and thereunder shall be controlled by, the laws of the Commonwealth of Pennsylvania.

10.8. Survival of Representations and Warranties. All representations, warranties, covenants and agreements of Borrower and ECGRA contained herein or made in writing in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loan, except as otherwise expressly provided. The obligations of Borrower under this Agreement shall continue until the Loan is repaid in full or is deemed to be repaid in full as set forth herein.

10.9. Integration. This Agreement, together with any exhibits and schedules attached hereto, is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous negotiations, commitments and writings.

10.10. Counterparts. This Agreement may be executed in any number of counterparts, and when so executed, all of such counterparts shall constitute a single instrument binding upon all parties hereto. Signatures of the parties transmitted by facsimile or as PDF attachments shall be deemed to be their original signatures for any purpose whatsoever.

10.11. Conflict of Interest. No member, official, or employee of ECGRA shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, or employee of ECGRA shall be personally liable to Borrower or to any successor in interest to Borrower, (i) in the event of any default or breach by ECGRA of any of the terms of this Agreement, (ii) for any amount which may become due hereunder to Borrower or to any successor in interest to Borrower, or (iii) with respect to any obligation of ECGRA to Borrower hereunder.

10.12. Limitation on Applicability of Certain Provisions. The parties acknowledge that as provided in this Agreement, Borrower will use the proceeds of the Loan to fund part of Borrower's Capital Contributions to the Fund, and the Fund will use Borrower's Capital Contributions along with Capital Contributions of the other Partners and any borrowing by the Fund for any purposes permitted by the Partnership Agreement including, but not limited to, acquiring debt and equity interests in publicly and privately held business enterprises and paying fees and expenses of the Partnership. The parties hereby agree that none of the provisions of this Agreement (including but not limited to Sections 6.6, 6.7, 10.13, 10.14 and 10.15), together with the requirements of Exhibit "B", Exhibit "C", Exhibit "D", Exhibit "E", Exhibit "F" and Exhibit

"G" incorporated by reference therein) shall apply to the portfolio companies of the Fund. Without limiting the foregoing, no portfolio company of the Fund shall be considered a Contractor or subcontractor for purposes of such provisions or the requirements of such Exhibits.

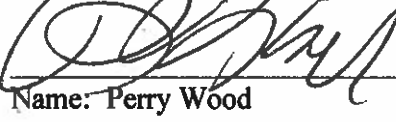
[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their duly authorized representatives as of the day and year first above written.

WITNESS/ATTEST:



ERIE COUNTY GAMING REVENUE
AUTHORITY



Name: Perry Wood

Title: Executive Director

1855 CAPITAL PARTNERS, LLC

By: 

Name: : F. Matthew Rhodes

Title: Managing Director

1855841.v1

EXHIBIT "A"

NOTE

\$500,000

November 10th, 2017

FOR VALUE RECEIVED, 1855 CAPITAL PARTNERS, LLC, a Delaware limited liability company ("Borrower"), hereby promises to pay to the order of ERIE COUNTY GAMING REVENUE AUTHORITY, an Economic Development Financing Authority created pursuant to the Economic Development Financing Law, 73 P.S. §§ 371 *et seq.*, and body politic and corporate entity with offices at 5340 Fryling Road, Suite 201, Erie, PA 16510 ("Payee") as provided in the Loan Agreement (as hereinafter defined) on or before the Maturity Date (as defined in the Loan Agreement), the principal amount of **Five Hundred Thousand and 00/100 Dollars** (\$500,000.00), in lawful money of the United States of America, together with interest as provided in the Loan Agreement, payable only in the manner and on the payment dates set forth in the Loan Agreement.

The principal and interest and all other amounts due hereunder shall be payable at Payee's principal office in Erie, Pennsylvania, or at such other place as Payee may specify from time to time.

This Note is the Note referred to in that certain Participating Loan Agreement dated November 10th, 2017, between Borrower and Payee (the "Loan Agreement"), and capitalized terms used but not defined in this Note shall have the meanings ascribed thereto in the Loan Agreement.

This Note may not be prepaid in whole or in part except as set forth in the Loan Agreement.

Payment of this Note is secured by a security interest in (i) the Dedicated Account; (ii) the Dedicated Funds; and (iii) the proceeds thereof, all as set forth in the Loan Agreement (the "Collateral").

Upon the occurrence of any Event of Default (as defined in the Loan Agreement), Payee, at its option, may declare this Note to be immediately due and payable, whereupon the outstanding principal amount of this Note, together with interest accrued thereon in the manner set forth in the Loan Agreement, and all other amounts payable hereunder, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Loan Agreement to the contrary notwithstanding.


This Note is non-recourse to the members of Borrower (*i.e.*, such parties shall have no liability for repayment of this Note) and the assets of Borrower other than the Collateral, and Payee will look solely to the Collateral for repayment of this Note.

This Note shall be binding upon and inure to the benefit of Borrower and Payee and their respective successors and assigns, except that neither party may assign or transfer this Note or any of its rights or interests hereunder without the prior written consent of the other.

This instrument shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, this Note has been duly signed and delivered by the undersigned at the place and on the day and year first above written.

1855 CAPITAL PARTNERS, LLC

By: 
Name: F. Matthew Rhodes
Title: Managing Director

1855841.v1

Exhibit B

DCED-TI-004 (06-15)



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT
TECHNOLOGY & INNOVATION

SEMI ANNUAL PROGRESS REPORT

APPENDIX D1

Please update the general information at the end of the 6 month reporting period covered by this report. Add a Portfolio Company for each Pennsylvania Portfolio Company that you have invested in (see Appendix D2).
This includes investments that you have exited.

FUND LEVEL INFORMATION	
REPORT DATE:	REPORTING PERIOD:
FUND NAME:	
REPORTING CONTACT:	
CONTACT EMAIL:	CONTACT PHONE:

FINANCIAL METRICS	
Total Fund Size (if your fund is leveraged, please include total leverage in the fund size)	<input type="text"/>
Total Capital Invested to Date	<input type="text"/>
Total Capital Invested in PA Companies	<input type="text"/>

COMPANY METRICS	
Portfolio Companies	PA Portfolio Companies
Active (Companies still operating in the Portfolio)	Active* (PA Companies still operating in the Portfolio)
Exited (Companies sold, shut down, etc)	Exited** (PA Companies sold, shut down, etc)

EMPLOYEE METRICS	
PA Employees at First Investment	
Active PA Portfolio Companies (Employees at first investment in companies listed under * above)	<input type="text"/>
Exited PA Portfolio Companies (Employees at first investment in companies listed under ** above)	<input type="text"/>
Current PA Employees (or at time of exit)	
Active PA Portfolio Companies (PA Employees currently at companies listed under * above)	<input type="text"/>
Exited PA Portfolio Companies (PA Employees currently (or at time of exit/move) at companies listed under ** above)	<input type="text"/>



SEMI ANNUAL PROGRESS REPORT INDIVIDUAL PA PORTFOLIO COMPANY INFORMATION

APPENDIX D2

Please complete this form for each/every portfolio company that has operations in PA.

GENERAL INFORMATION	
NAME:	
PENNSYLVANIA ADDRESS:	
WEBSITE:	WOMAN OR MINORITY OWNED?
CURRENT PORTFOLIO STATUS? IF EXITED, PROVIDE DATE OF EXIT:	
NAME OF COMPANY CEO OR BEST CONTACT:	
TITLE:	
EMAIL:	PHONE:

INVESTMENT INFORMATION	
TOTAL INVESTMENT FROM <u>YOUR</u> FUND TO DATE:	DATE OF <u>YOUR</u> FIRST INVESTMENT:
COMPANY MOVED TO PA FROM <u>YOUR</u> INVESTMENT (Y/N):	
OTHER FINANCING RECEIVED AFTER YOUR 1ST INVESTMENT:	
OTHER INVESTORS (IF KNOWN):	

EMPLOYMENT INFORMATION	
CURRENT PENNSYLVANIA EMPLOYEES:	PENNSYLVANIA EMPLOYEES AT FIRST INVESTMENT:
MEDIAN WAGE/SALARY OF PA EMPLOYEES (IF KNOWN):	



SEMI ANNUAL PROGRESS REPORT SRI* PORTFOLIO COMPANY INFORMATION

APPENDIX D3

Please complete this form for each/every portfolio company that your firm deems as
being SRI oriented in terms of the statement below.

*Society responsible investing (SRI), also known as sustainable, socially conscious, "green" or ethical investing, is any investment strategy which seeks to consider both financial return and social good. In general, society responsible investors encourage corporate practices that promote environmental stewardship, consumer protection, human rights, and diversity. The areas of concern recognized by the SRI industry are sometimes summarized as ESG issues: environment, social justice, and corporate governance.

GENERAL INFORMATION	
COMPANY NAME:	
STREET ADDRESS:	
WEBSITE:	
CURRENT PORTFOLIO STATUS: IF EXITED, PROVIDE DATE OF EXIT	
NAME OF COMPANY CEO OR BEST CONTACT:	
TITLE:	
EMAIL:	PHONE:

INVESTMENT INFORMATION	
TOTAL INVESTMENT FROM YOUR FUND TO DATE:	DATE OF YOUR FIRST INVESTMENT:
COMPANY MOVE TO PA FROM YOUR INVESTMENT:	

SRI ATTRIBUTES
BRIEF DESCRIPTION OF SRI ATTRIBUTES

APPENDIX D-4

**DCED TECHNOLOGY INVESTMENT OFFICE
VENTURE CAPITAL INVESTMENT QUARTERLY METRICS REPORT**

*Diane Sterthous, Venture Capital Advisor
dsterthous@pa.gov / 717-720-1303*

Name of Partnership:			
Name of Investor: BFTDA or CFA?			
VC Contact Name:			
VC Contact Email Address:			
VC Contact Phone #:			
GAAP Capital Account Statement Date :			
Date of Beginning Balance :			
BEGINNING BALANCE (USD \$):			
Capital Contributions:			
Distributions:			
Net Income:			
<i>Investment Income (loss):</i>		\$	
<i>Management Fees:</i>		\$	
<i>Other</i>		\$	
<i>Net Investment Income (loss):</i>		\$	
<i>Net realized gain (loss) on investments:</i>		\$	
<i>Net unrealized gain (loss) on investments:</i>		\$	
<i>Net Income:</i>		\$	
ENDING BALANCE (USD \$):			
UNFUNDED CAPITAL COMMITMENTS		CUMULATIVE DISTRIBUTIONS	
<i>Committed capital:</i>	\$	<i>Preferred return:</i>	\$
<i>Distributions subject to recall:</i>	\$	<i>Return of capital:</i>	\$
<i>Contributions:</i>	\$	<i>Excess Distributions:</i>	\$
<i>Unfunded capital commitment:</i>	\$	<i>Total Distributions:</i>	\$
DEDICATED CASH ACCOUNT		<i>Distributions as a % of capital contributions:</i>	%
<i>Beginning Balance:</i>	\$		
<i>Interest Earned:</i>	\$		
<i>(To)/From Partnership:</i>	\$		
<i>Fees/Other</i>	\$		
<i>Distributions:</i>	\$		
<i>Ending Balance:</i>			

NOTE: In Exhibits C - G, references to "Contractor" shall mean the Borrower and references to "this Contract" shall refer to the Participating Loan Agreement dated _____, 2017 between Borrower and ECGRA.

EXHIBIT "C"

RIGHT-TO-KNOW LAW (May Not be applicable)

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Contract. For the purpose of these provisions, the term "the Commonwealth" shall refer to the contracting Commonwealth agency.
- b. If the Commonwealth needs the Contractor's assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires the Contractor's assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the Contractor shall:
 1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.
- d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) Business Days of receipt of written notification of the Commonwealth's determination.
- f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.

g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

EXHIBIT "D"

NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
3. The Contractor and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
4. The Contractor and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relates.
5. The Contractor and each subcontractor shall, within the time periods requested by the Commonwealth, furnish all necessary employment documents and records and permit access to their books, records, and accounts by the contracting agency and the Bureau of Minority and Women Business Opportunities (BMWBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. Within fifteen (15) days after award of any contract, the Contractor shall be required to complete, sign and submit Form STD-21, the "Initial Contract Compliance Data" form. If the contract is a construction contract, then the Contractor shall be required to complete, sign and submit Form STD-28, the "Monthly Contract Compliance Report for Construction Contractors", each month no later than the 15th of the month following the reporting period beginning with the initial job conference and continuing through the completion of the project. Those contractors who have fewer than five employees or whose employees are all from the same family or who have completed the Form STD-21 within the past 12 months may, within the 15 days, request an exemption from the Form STD-21 submission requirement from the contracting agency.

6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
7. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

EXHIBIT "E"

CONTRACTOR RESPONSIBILITY PROVISIONS

1. The Contractor certifies that it is not currently under suspension or debarment by the Commonwealth, any other state, or the federal government, and if the Contractor cannot so certify, then it agrees to submit along with the bid/proposal a written explanation of why such certification cannot be made.

2. If the Contractor enters into any subcontracts or employs under this contract any subcontractors/individuals who are currently suspended or debarred by the Commonwealth or the federal government or who become suspended or debarred by the Commonwealth or federal government during the term of this contract or any extensions or renewals thereof, the Commonwealth shall have the right to require the Contractor to terminate such subcontracts or employment.

3. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of Inspector General for investigations of the Contractor's compliance with terms of this or any other agreement between the Contractor and the Commonwealth which result in the suspension or debarment of the Contractor. Such costs shall include, but not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations which do not result in the Contractor's suspension or debarment.

4. The Contractor may obtain the current list of suspended and debarred contractors by contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
Fax No. (717) 787-9138

EXHIBIT "F"

Revised 5/4/2011

CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth procurement process.

In furtherance of this policy, Contractor agrees to the following:

1. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting with the Commonwealth.
2. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to Contractor employee activity with the Commonwealth and Commonwealth employees, and which is distributed and made known to all Contractor employees.
3. Contractor, its affiliates, agents and employees shall not influence, or attempt to influence, any Commonwealth employee to breach the standards of ethical conduct for Commonwealth employees set forth in the *Public Official and Employees Ethics Act, 65 Pa.C.S. §§1101 et seq.*; the *State Adverse Interest Act, 71 P.S. §776.1 et seq.*; and the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.*, or to breach any other state or federal law or regulation.
4. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person at the direction or request of any Commonwealth official or employee.
5. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person, the acceptance of which would violate the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.* or any statute, regulation, statement of policy, management directive or any other published standard of the Commonwealth.
6. Contractor, its affiliates, agents and employees shall not, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any Commonwealth official or employee.

7. Contractor, its affiliates, agents, employees, or anyone in privity with him or her shall not accept or agree to accept from any person, any gratuity in connection with the performance of work under the contract, except as provided in the contract.
8. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
9. Contractor, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, Contractor under this contract without the prior written approval of the Commonwealth, except as required by the *Pennsylvania Right-to-Know Law*, 65 P.S. §§ 67.101-3104, or other applicable law or as otherwise provided in this contract. Any information, documents, reports, data, or records secured by Contractor from the Commonwealth or a third party in connection with the performance of this contract shall be kept confidential unless disclosure of such information is:
 - a. Approved in writing by the Commonwealth prior to its disclosure; or
 - b. Directed by a court or other tribunal of competent jurisdiction unless the contract requires prior Commonwealth approval; or
 - c. Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or
 - d. Necessary for purposes of Contractor's internal assessment and review; or
 - e. Deemed necessary by Contractor in any action to enforce the provisions of this contract or to defend or prosecute claims by or against parties other than the Commonwealth; or
 - f. Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain; or
 - g. Otherwise required by law.
10. Contractor certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has been officially notified of, charged with, or convicted of any of the following and agrees to immediately notify the Commonwealth agency contracting officer in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any of the following:

- a. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- b. Commission of fraud or a criminal offense or other improper conduct or knowledge of, approval of or acquiescence in such activities by Contractor or any affiliate, officer, director, associate, partner, limited partner, individual owner, or employee or other individual or entity associated with:
 - (1) obtaining;
 - (2) attempting to obtain; or
 - (3) performing a public contract or subcontract.

Contractor's acceptance of the benefits derived from the conduct shall be deemed evidence of such knowledge, approval or acquiescence.

- c. Violation of federal or state antitrust statutes.
- d. Violation of any federal or state law regulating campaign contributions.
- e. Violation of any federal or state environmental law.
- f. Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.
- g. Violation of the *Act of June 2, 1915 (P.L.736, No. 338)*, known as the *Workers' Compensation Act, 77 P.S. 1 et seq.*
- h. Violation of any federal or state law prohibiting discrimination in employment.
- i. Debarment by any agency or department of the federal government or by any other state.
- j. Any other crime involving moral turpitude or business honesty or integrity.

Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause upon such notification or when the Commonwealth otherwise learns that Contractor has been officially notified, charged, or convicted.

- 11. If this contract was awarded to Contractor on a non-bid basis, Contractor must, (as required by *Section 1641* of the *Pennsylvania Election Code*) file a report of political contributions with the Secretary of the Commonwealth on or before February 20 of the next calendar year. The report must include an itemized list of all political contributions

known to Contractor by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:

- a. Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family when the contributions exceed an aggregate of one thousand dollars (\$1,000) by any individual during the preceding year; or
- b. Any employee or members of his immediate family whose political contribution exceeded one thousand dollars (\$1,000) during the preceding year.

To obtain a copy of the reporting form, Contractor shall contact the Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, PA 17120.

- 12. Contractor shall comply with requirements of the *Lobbying Disclosure Act, 65 Pa.C.S. § 13A01 et seq.*, and the regulations promulgated pursuant to that law. Contractor employee activities prior to or outside of formal Commonwealth procurement communication protocol are considered lobbying and subjects the Contractor employees to the registration and reporting requirements of the law. Actions by outside lobbyists on Contractor's behalf, no matter the procurement stage, are not exempt and must be reported.
- 13. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or in these provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or Commonwealth Inspector General in writing.
- 14. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these contractor integrity provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract.
- 15. Contractor shall cooperate with the Office of Inspector General in its investigation of any alleged Commonwealth employee breach of ethical standards and any alleged Contractor non-compliance with these provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of the Office of Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refers to or concern this contract.
- 16. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an

amount equal to the value of anything received in breach of these provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

17. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Paragraph 17.

- a. “Confidential information” means information that a) is not already in the public domain; b) is not available to the public upon request; c) is not or does not become generally known to Contractor from a third party without an obligation to maintain its confidentiality; d) has not become generally known to the public through an act or omission of Contractor; or e) has not been independently developed by Contractor without the use of confidential information of the Commonwealth.
- b. “Consent” means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by pre-qualification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this contract.
- c. “Contractor” means the individual or entity that has entered into this contract with the Commonwealth, including those directors, officers, partners, managers, and owners having more than a five percent interest in Contractor.
- d. “Financial interest” means:
 - (1) Ownership of more than a five percent interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- e. “Gratuity” means tendering, giving or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the Governor’s Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b), shall apply.
- f. “Immediate family” means a spouse and any unemancipated child.

- g.** “Non-bid basis” means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.
- h.** “Political contribution” means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any election in the Commonwealth of Pennsylvania or for paying debts incurred by or for a candidate or committee before or after any election.

EXHIBIT "G"

AMERICANS WITH DISABILITIES ACT PROVISIONS

During the term of this contract, the Contractor agrees as follows:

1. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this contract or from activities provided for under this contract. As a condition of accepting and executing this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

2. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of paragraph 1 above.

3. "Contractor" means the individual or entity that has entered into this Agreement with the Commonwealth.

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