

**2018 MASTER AGREEMENT BETWEEN THE  
ERIE COUNTY GAMING REVENUE AUTHORITY  
AND  
ENTERPRISE DEVELOPMENT FUND OF ERIE COUNTY, INC.  
FOR  
SPECIAL ECONOMIC DEVELOPMENT ASSISTANCE FOR ERIE COUNTY**

THIS AGREEMENT, entered this 1st day of March, 2018 by and between the:

**Erie County Gaming Revenue Authority**, a body corporate and politic organized and existing under the provisions of the Pennsylvania Economic Development Financing Law, 73 P.S. §§ 371 et seq., with offices at 5340 Fryling Road, Suite 201, Erie, Pennsylvania 16510, hereinafter referred to as “ECGRA,”

AND

**Enterprise Development Fund of Erie County, Inc.**, a nonprofit corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, with offices at 1611 Peach Street, Suite 405, Erie, PA 16501 hereinafter referred to as the “Fund”

**WHEREAS**, ECGRA created the Ignite Erie funding stream to make both grants and mission-related investments to support the small-business financing, inner-city development and industry-university collaborations leading to the acceleration of technology products and services and the expansion of manufacturers and small business; and

**WHEREAS**, ECGRA previously entered into agreements with the Fund to provide targeted investments in economic financing gaps for commercial lending, non-profit lending, credit enhancements and micro-lending; and

**WHEREAS**, ECGRA and the Fund have entered into three (3) prior agreements dated October 18, 2010, September 13, 2012 and August 22, 2013 (the “Prior Agreements”); and

**WHEREAS**, pursuant to the CDFI Notes and Credit Agreements associated with the Prior Loans, Fund has remained current with interest payments, and now requests that ECGRA amends and restates the Prior Loans; and

**WHEREAS**, ECGRA and Fund desire to amend and restate the Prior Loans as set forth herein.

**WHEREAS**, it is the intent that this Agreement amends and restates, and is in substitution for, the Agreements, and

**WHEREAS**, as part of its Community Development Financial Institution (“CDFI”) certification with the United States Treasury, and as a requirement of ECGRA, the Fund will make available (or partner to make available) technical assistance to borrowers of its lending programs. In addition, the Fund has committed to apply at least 60% of all its lending in

“target markets” identified in its CDFI certification. The Fund certifies that the funding ECGRA provides will be combined with the Fund’s existing assets and additional borrowed capital to multiply ECGRA’s investment at a minimum of a dollar for dollar. The result will be the creation of a comprehensive economic and community development fund capable of helping to meet Erie County’s needs to launch (1) entrepreneur loans, (2) growth loans, and (3) community development loans in economically disadvantaged areas—complemented by the offering of business, entrepreneurial and technical assistance services; and

**WHEREAS**, the Master Credit Agreement with the Fund provides that ECGRA and the Fund shall enter into this Agreement for Special Economic Development Assistance for Erie County, PA for the purpose of describing the permitted use of funds loaned to the Fund.

**NOW THEREFORE**, on the date first identified above, and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows.

1. Incorporation. The recitations above are incorporated hereby as if more fully set forth herein.
2. Relationship of the Parties. ECGRA and the Fund are separate and distinct entities who intend to act independent of one another as parties to the within contract. Employees of the Fund shall not be considered the employees, agents or ostensible agents of ECGRA. The employees of ECGRA shall not be considered employees, agents or ostensible agents of the Fund.
3. Term. This Agreement shall commence upon the date of the last party to sign the Agreement, and shall continue until the maturity date as determined by the CDFI Master Note and Master Credit Agreement entered into between the parties.
4. Termination. Either party may terminate this Agreement pursuant to the terms and conditions of the CDFI Master Note and Master Credit Agreement entered into between the parties.
5. Activities.
  - a. Funds received by the Fund from ECGRA will provide targeted investment into the economic development gaps existing in Erie County, PA and will be used to fund the following financial products/services, which shall, for the purpose of the Credit Agreement, be determined to be business loans:
    - Micro Lending: micro loans of Fifty Thousand (\$50,000.00) Dollars or less for inventory, working capital, renovation, small equipment, start up businesses, cottage industry, non-profits and entrepreneurs;

- Commercial Lending: loans greater than \$50,001 to \$500,000 for working capital, bridge financing, non-hard asset based lending and equipment to for-profit companies; and
  - Non-profit Lending: loans of \$50,001 to \$500,000 for working capital, bridge financing, non-hard asset based lending, equipment and real estate to non-profit companies; and
  - Credit Enhancement: loaned cash collateral to enhance the credit (or provide a debt service reserve) for the borrower (both non-profit and for-profit companies) benefiting from a taxable or tax-exempt bond issue by a Fund-affiliated authority (essentially, a partial debt guarantee).
- b. The lending of these funds will be paired with the business management and technical assistance that will be made available to borrowers through the Fund's in-house support and technical assistance provider network. These assistance programs are designed to prepare entrepreneurs, start-up companies, non-profits, and other businesses to effectively deal with the realities of running a business and handling its financing. The goal is to link professional business management and technical assistance with financing which will better prepare these entities for success.
- c. The Fund shall not utilize funds supplied by ECGRA to: (1) acquire or finance the acquisition of a project which shall cause the removal of a plant, facility or other business from one area of the Commonwealth to another area of the Commonwealth, unless the secretary of the Department of Community and Economic Development has found that relocation of the plant, facility or other business is necessary in order for the plant, facility or other business to remain competitive or to prevent the plant, facility or other business from leaving this Commonwealth; (2) enter into any agreement to finance the acquisition of a project in excess of the cost of the project; (3) engage in business, trade or commerce for a profit as an owner or lessee of a project, or otherwise; (4) finance any project which will be used in whole or in part for illegal activities; and, (5) finance any project which is not located within Erie County, Pennsylvania.
- d. All such lending shall be made, and the Fund shall utilize funds provided by ECGRA, pursuant to the following guidelines:
- (i) Geographic Limitation. The Fund shall only provide financial assistance with the funds provided by ECGRA to those entrepreneurs or businesses which are primarily located in Erie County, Pennsylvania, and with the specific condition that such funds shall only be invested within the geographic boundaries of Erie County, Pennsylvania, and may not be invested in any business locations or operations outside of Erie County, Pennsylvania.

(ii) Reserved.

(iii) Targeting. At least sixty percent (60%) of all loans and at least sixty percent (60%) of all loan capital shall be invested into Target Markets, as defined by the Fund's current CDFI certification.

6. Performance Monitoring. In order to assess the Fund's performance in accordance with the goals and standards stated herein, the Fund shall, in addition to any other documentation reasonably requested by ECGRA, provide the following documentation to ECGRA:

a. Audits.

(i) The Fund's annual audited financial statements shall be provided annually throughout the term of this Agreement and within thirty days of receipt by the Fund.

(ii) The Fund shall hire and pay for an independent CPA to conduct a project audit of the Fund provided through this Agreement. The audit shall, at a minimum, certify compliance with this Agreement, with all CDFI requirements and with all covenants of other lenders. The audit shall be presented to the ECGRA Board of Directors as part of the final performance report.

b. Bi-Annual Performance Reports

(i) Bi-annual reports shall, at a minimum, indicate the following information pertaining to loans made pursuant to this Agreement:

- percentage of both the number loans to and total investment into Target Markets;
- internal leverage ratio for the Fund;
- external leverage ratio for the Fund;
- total matching funds raised, including source and terms of matching funds;
- job creation/retention attributed to loans made pursuant to this Agreement;
- list of loan recipients by organization's name & contact person, or, if loan recipients object to public disclosure of their financial relationship with the Fund, an anonymous but unique identifier and a non-identifying description of the recipient;
- job creation/retention attributed to loan recipients;

- (ii) Performance reports shall be provided to ECGRA until such time that the Fund has loaned all of the funding provided by ECGRA pursuant to this Agreement, the Credit Agreement and the CDFI Note, and, until such point, shall be due on or before February 1<sup>st</sup>, and August 1<sup>st</sup> of each year.
  - c. Final performance report. Within 60 days of the Agreement Term or Termination (whichever is earliest), a final report shall be submitted containing all information included in the bi-annual report along with a summary of the final portfolio balance indicating how the Fund met program objectives. The final performance report shall be accompanied by a presentation to the ECGRA Board.
7. Default. Failure to meet any provision of this Agreement shall constitute an Event of Default by the Fund. In the event of an Event of Default, ECGRA may utilize the Default procedures contained within the Credit Agreement and CDFI Note.
  8. Suspension and Termination. If the Fund fails to correct substandard performance and thus cure the Default within the period of time stated in this Credit Agreement, the Agreement may be Suspended or Terminated at ECGRA's sole discretion pursuant to the terms and conditions of the CDFI Note and Credit Agreement.
  9. Cooperation. The Fund shall cooperate in every reasonable way with ECGRA to facilitate the purposes and intent of this Agreement. ECGRA shall cooperate in every reasonable way to facilitate the purposes and intent of this Agreement.
  10. Indemnification. The Fund hereby agrees to release, indemnify and hold ECGRA harmless from any claims, damages, losses, law suits, causes of action or demands arising out of the good faith provision of services by ECGRA hereunder, except to the extent that such claims, losses, lawsuits, causes of action or demands are based on the negligence, recklessness, or intentional misconduct of ECGRA and/or its agents, employees, and/or personnel.
  11. Right-to-Know Law. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101 - 67.3104, applies to this Agreement. (the "RTKL"). Upon notification to the Fund that ECGRA has received a request for records under the RTKL, the Fund shall fully assist ECGRA in responding to the request. Such assistance shall include, at a minimum, providing ECGRA, within three (3) days, access to, and copies of, any document or information arising out of the Agreement in the Fund's possession that ECGRA deems a Public Record ("Requested Information") and providing such other assistance as ECGRA may request. If the Fund fails to provide the Requested Information to ECGRA within the required time period, the failure shall be considered an event of default, and the Fund shall pay, indemnify and hold ECGRA harmless for any damages, penalties, detriment or harm that ECGRA may incur as a result of the Fund's failure, including reasonable attorney's fees incurred by ECGRA in the administration of the Right-to-Know Request and any appeal therefrom. If the Fund refuses to supply the Requested Information, and the Pennsylvania Office of Open Records, or the Pennsylvania Courts,

determines that a record in the possession of the Fund is a public record, in addition to the foregoing, liquidated damages of \$200 per day will be assessed for each calendar day beyond the date the Fund was required to provide the record by the Pennsylvania Office of Open Records, or, upon appeal, the Pennsylvania Courts. The Fund's duties under this section survive the termination of this Agreement and as long as the Fund has Requested Information in its possession.

12. Entire Contract. This Agreement, the CDFI Note and Credit Agreement constitute the entire contract between the parties hereto and there are no other understandings, oral or written, relating to the subject matter hereof. This Agreement may not be changed, modified or amended, in whole or in part, except in writing, signed by all parties.
13. Binding Effect. This Agreement and all of its terms and conditions shall extend to and be binding upon the parties hereto, and upon their respective heirs, executors, administrators, successors, and assigns.
14. Prohibition against Assignment. This agreement shall not be assigned by either party without written consent of the other being first obtained.
15. Severability. If any provision of this Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision and, to this end, the provision hereof is severable.
16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.
17. Governing Law. This Agreement shall be constructed under the laws of the Commonwealth of Pennsylvania. The venue for any litigation relating hereto shall be the Erie County, Pennsylvania Court of Common Pleas.
18. Notices. Communications and details concerning this contract shall be directed to the following contract representatives:

ECGRA

Perry Wood, Executive Director  
Erie County Gaming Revenue Authority  
5340 Fryling Road, Suite 201  
Erie, PA 16510  
814-897-2690

Fund

James Gerhlein, Chairman  
Enterprise Development Fund of Erie County, Inc.  
1611 Peach Street, Suite 405  
Erie, PA 16501  
814-440-1155

With a copy to:

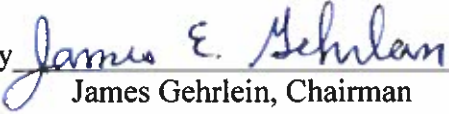
Timothy S. Wachter, Esq.  
Knox McLaughlin Gornall & Sennett, P.C.  
120 West 10<sup>th</sup> Street  
Erie, PA 16501


IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have set their hands and seals on the date first above written.

ERIE COUNTY GAMING REVENUE  
AUTHORITY

By   
David Sample, Chairman

ENTERPRISE DEVELOPMENT FUND OF  
ERIE COUNTY, INC.

By   
James Gehrlein, Chairman

Attest:   
Perry Wood, Secretary

Attest:   
Betsy Bort, Secretary

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