EXHIBIT E

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

In re: **PANTHERA ENTERPRISES, LLC,** **Debtor**	**BK No. 2:19-bk-00787** **Chapter 11**
WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY, **Movant** **v.** **PANTHERA ENTERPRISES, LLC,** **Respondent**	

AFFIDAVIT

STATE OF WEST VIRGINIA)
)
COUNTY OF KANAWHA) to-wit:

This day personally appeared before me, a Notary Public in and for the jurisdiction aforesaid, J. Steven Webb, who, being duly sworn, stated as follows:

1. I am Director of Financial Services for the West Virginia Economic Development Authority ("WVEDA"). I make this Affidavit based upon my personal knowledge and if not my personal knowledge, based upon a review of the books and records of the WVEDA. I make this Affidavit in support of WVEDA's *Motion to Convert this Case to a Chapter 7 Proceeding, or, in the Alternative, Dismiss this Bankruptcy Case for Bad Faith* and WVEDA's *Motion for Relief*

from the Automatic Stay to Foreclose Against the Debtor's Real Property at 2506 Fish Pond Road, Old Fields, Hardy County, West Virginia (together, "WVEDA's Motions").

2. The WVEDA made two loans to Panthera Enterprises, LLC, formerly known as TenX Group, LLC ("Debtor").

3. A loan in the original principal amount of $5,000,000 was made to the Debtor on August 21, 2013 to finance a portion of the Debtor's cost to acquire 689.40 acres in Moorefield District, Hardy County, West Virginia. The loan is secured by a Credit Line Deed of Trust and Fixture Filing encumbering the 689.40 acres and a Collateral Assignment of Leases and Rents.

4. The second loan was made to the Debtor on July 2, 2014, in the original principal amount of $1,871,505. This loan financed the acquisition of an additional 58.09 acres adjacent to the 689.40 acre tract (together, the "Real Property") and improvements to the Real Property. This second loan is also secured by a Credit Line Deed of Trust and Fixture Filing encumbering the Real Property, and a Collateral Assignment of Leases and Rents. The August 21, 2013 loan and the July 2, 2014 loan are together referred to herein as the "Loans".

5. Both of the Loans are guaranteed by the principals of the Debtor, James V. Punelli and Raymond C. Jones. They are also guaranteed by Global Matrix Corporation, a corporation solely owned by Raymond Jones, and by Pons Milvius LLC, a limited liability company whose sole member is James Punelli (together, "Guarantors").

6. The loan documents referenced in and attached to WVEDA's Motions are true and correct copies of the loan documents held in WVEDA's files for the Debtor's Loans. These include the 2013 loan documents attached as Exhibit A-1 (Loan Agreement dated August 21, 2013); Exhibit A-2 (Promissory Note dated August 21, 2013); Exhibit A-3 (Credit Line Deed of Trust and Fixture Filing, dated August 21, 2013); and Exhibit A-4 (Collateral Assignment of

Leases and Rents, effective August 21, 2013). They also include the 2014 loan documents attached as Exhibit A-5 (Loan Agreement dated July 2, 2014); Exhibit A-6 (Promissory Note dated July 2, 2014); Exhibit A-7 (Credit Line Deed of Trust and Fixture Filing, dated July 2, 2014); and Exhibit A-8 (Collateral Assignment of Leases and Rents, effective July 2, 2014).

7. WVEDA filed a secured claim in the Debtor's bankruptcy case on October 23, 2019 for $6,477,180.47. A copy of WVEDA's Proof of Claim is attached to WVEDA's Motions as Exhibit A.

8. The Real Property is the site of a security operations training facility ("Facility"). Prior to June 1, 2018, the Facility was operated by and training was provided by Panthera Training Center, LLC ("PTC"), a subsidiary of the Debtor.

9. The Debtor first defaulted on the Loans in February of 2015 by failing to make the monthly payments due under the terms of the respective notes. The Loans were brought current in May of 2015, but the Debtor defaulted again in August of 2015. Attached to this Affidavit as **Exhibit E-1** is a copy of the payment histories for the Debtor's Loans, which are taken from WVEDA's records for the Debtor's Loans.

10. The Debtor made no payments on the two Loans in 2016. **Ex. E-1.**

11. On May 20, 2017, the Debtor and WVEDA entered into a modified payment arrangement whereby the Debtor agreed to pay $20,000 per month for each of the Loans.

12. The Debtor defaulted on the modified payment arrangement, making just three (3) of the nine (9) payments that were to be paid between May 20, 2017 and February 28, 2018. **Ex. E-1.**

13. On February 28, 2018, WVEDA sent a demand for payment to the Debtor and Guarantors, giving the obligors a deadline of March 31, 2018 to cure the default. The Debtor and Guarantors paid nothing.

14. In May of 2018, WVEDA commenced a foreclosure under the two Credit Line Deeds of Trust that secured the Loans.

15. Shortly after commencing foreclosure, the Debtor advised WVEDA that it had entered into a Subcontract agreement with Panthera Training, LLC ("Panthera Training"), as of June 1, 2018, as well as a Commercial Lease Agreement and an Agreement of assignment. The Debtor further advised that it had terminated its lease with its subsidiary, PTC, for default, and that Panthera Training, not PTC, would be operating the Facility going forward.

16. Thereafter, WVEDA, the Debtor, PTC, and the Guarantors entered into a Forbearance Agreement, effective as of July 6, 2018. A copy of the Forbearance Agreement is attached to WVEDA's Motion as Exhibit A-9. WVEDA agreed to forbear from exercising its rights under the Loan documents, including the Deeds of Trust, for a period of six (6) months. The Debtor indicated, as it had done numerous times before, that it was talking with potential investors and needed additional time to bring one or more on board.

17. Per the terms of the Forbearance Agreement, Panthera Training was to send directly to WVEDA its monthly rent payment of $52,000 due under its Commercial Lease with the Debtor, which would be applied to the balances due on the Debtor's Loans.

18. The Forbearance Agreement expired on January 6, 2019, at which time, the entire balance due and owing on the Loans was immediately due and payable. No investor had materialized.

19. Panthera Training has timely paid the monthly payment of $52,000 to WVEDA. **Ex. E-1.** In fact, the time during which Panthera Training has been forwarding payments to WVEDA is the only time since 2014 that the WVEDA has consistently received timely payments on the Loans. **Ex. E-1.** Nevertheless, there have been other defaults by the Debtor.

20. WVEDA, by its counsel, sent the Debtor and Guarantors a notice of default and demand for payment on August 14, 2019. A copy of the notice of default and demand for payment is attached hereto as **Ex. E-2** and incorporated herein by reference. The Debtor did not respond, and WVEDA again commenced foreclosure. A foreclosure sale was scheduled and noticed for September 16, 2019.

Further the Affiant saith not.

J. Steven Webb

J. Steven Webb

Taken, subscribed and sworn to before me this 31st day of October, 2019.

My commission expires:
August 20, 2024

[NOTARIAL SEAL]

Paula A. Smolder
NOTARY PUBLIC

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
Paula A. Smolder
150 Morningside Drive
Elkview, WV 25071
My Commission Expires August 20, 2024

EXHIBIT E-1

Loan Histories

WV Economic Development Authority

Loan History

Sorted by Due Date, then Effective Date, then Check #

TenX Group, LLC

Board Date: 4/17/2014 **Approved Loan Amount:** $1,871,505.00 **Corp:** # 384 - BTI FUNDS
Settled: 7/2/2014 **Actual Loan Amount:** $1,871,505.00 **Lender:** # 1 - WV ECONOMIC DEVELOPMENT **Lender's Loan #:**
Type: Standard ***Balance at runtime:*** *$1,630,561.07* 180 ASSOCIATION DRIVE, CHARLESTON, WV 25311 USA

Phases:
1. Due 8/2/2014 for 17 Months, Typ P+I $13,734.66, Simple Interest: Constant Payment at 3.88%, 365 day year
2. Due 1/2/2016 for 30 Months, Typ P+I $13,734.66, Simple Interest: Constant Payment at 3.88%, 365 day year
3. Due 7/2/2018 for 163 Months, Manual Schedule Entries

Loan Contact: Mr James Punelli
Panthera
215 Depot Court SE
Floor 2
Leesburg, VA 20175
Phone: 304-530-5555

Loan is Currently Open

RECEIPTS

Effective Date	Check #	Due Date	Principal	Interest	Escrow	Other	Late Fee	Unapplied	Total
8/4/2014	992022	8/2/2014	$7,368.58	$6,366.08	$0.00	$0.00	$0.00	$0.00	$13,734.66
9/29/2014	992338	9/2/2014	$2,637.70	$11,096.96	$0.00	$0.00	$0.00	$0.00	$13,734.66
12/29/2014	20	10/2/2014	$0.00	$13,734.66	$0.00	$0.00	$0.00	$0.00	$13,734.66
12/29/2014	201	11/2/2014	$9,462.24	$4,272.42	$0.00	$0.00	$0.00	$0.00	$13,734.66
12/29/2014	202	12/2/2014	$13,734.66	$0.00	$0.00	$0.00	$0.00	$0.00	$13,734.66
1/20/2015	26	1/2/2015	$9,435.64	$4,299.02	$0.00	$0.00	$0.00	$0.00	$13,734 66
5/18/2015	051815wi	2/2/2015	$0.00	$13,734.66	$0.00	$0.00	$0.00	$0.00	$13,734.66
5/18/2015	051815wi	3/2/2015	$4,528.94	$9,205.72	$0.00	$0.00	$0.00	$0.00	$13,734.66
5/18/2015	051815wi	4/2/2015	$13,734.66	$0.00	$0.00	$0.00	$0.00	$0.00	$13,734.66
5/18/2015	051815wi	5/2/2015	$13,734.66	$0.00	$0.00	$0.00	$0.00	$0.00	$13,734.66
6/2/2015	060215wi	6/2/2015	$10,869.51	$2,865.15	$0.00	$0.00	$0.00	$0.00	$13,734.66
7/31/2015	073115wi	7/2/2015	$2,533.51	$11,201.15	$0.00	$0.00	$0.00	$0.00	$13,734.66
10/7/2015	100715wi	8/2/2015	$843.22	$12,891.44	$0.00	$0.00	$0.00	$0.00	$13,734.66
10/8/2015	100815wi	9/2/2015	$13,545.16	$189.50	$0.00	$0.00	$0.00	$0.00	$13,734.66
6/1/2017	060117wi	10/2/2015	$20,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
7/6/2017	070617wi	11/2/2015	$0.00	$20,000.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
7/6/2017	070617wi	11/2/2015	$0.00	($20,000.00)	$0.00	$0.00	$0.00	$0.00	($20,000.00)
7/6/2017	070617wi	11/2/2015	$20,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
9/12/2017	091217wi	12/2/2015	$20,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,000.00

Loan History

Sorted by Due Date, then Effective Date, then Check #

TenX Group, LLC

RECEIPTS

	Effective Date	Check #	Due Date	Principal	Interest	Escrow	Other	Late Fee	Unapplied	Total
	7/6/2018	117	1/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	8/3/2018	1071	2/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	8/31/2018	083118wi	3/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	10/1/2018	100118wi	4/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	11/1/2018	110118wi	5/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	11/30/2018	113018wi	6/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	1/2/2019	010219wi	7/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
NCShift	2/1/2019		8/2/2016	$5,715.45	($5,715.45)	$0.00	$0.00	$0.00	$0.00	$0.00
	2/1/2019	020119wi	8/2/2016	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	3/1/2019	030119wi	9/2/2016	$14,560.00	$0.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	4/1/2019	040119wi	10/2/2016	$14,560.00	$0.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	5/1/2019	050119wi	11/2/2016	$14,560.00	$0.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	5/31/2019	053119wi	12/2/2016	$14,560.00	$0.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	7/1/2019	070119wi	1/2/2017	$14,560.00	$0.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
	7/6/2018	117	7/2/2018	$0.00	$14,560.00	$0.00	$0.00	$0.00	$0.00	$14,560.00
Rev Chk	7/6/2018	117	7/2/2018	$0.00	($14,560.00)	$0.00	$0.00	$0.00	$0.00	($14,560.00)
Total Received			***Cash:***	$235,228.48	$206,336.76	$0.00	$0.00	$0.00	$0.00	$441,565.24
			Non-Cash:	$5,715.45	($5,715.45)	$0.00	$0.00	$0.00	$0.00	$0.00
			Total:	$240,943.93	$200,621.31	$0.00	$0.00	$0.00	$0.00	$441,565.24

End of Report Processing: **Friday, July 19, 2019 2:06 PM**

Loan History

Sorted by Due Date, then Effective Date, then Check #

TenX Group, LLC

Board Date: 7/18/2013 **Approved Loan Amount:** $5,000,000.00 **Corp:** # 384 - BTI FUNDS
Settled: 8/21/2013 **Actual Loan Amount:** $5,000,000.00 **Lender:** # 1 - WV ECONOMIC DEVELOPMENT **Lender's Loan #:**
Type: Standard ***Balance at runtime:*** *$4,303,970.49* 180 ASSOCIATION DRIVE, CHARLESTON, WV 25311 USA

Phases:
1. Due 9/21/2013 for 27 Months, Typ P+I $37,849.50, Simple Interest: Constant Payment at 4.34%, 365 day year
2. Due 12/21/2015 for 31 Months, Typ P+I $37,849.50, Simple Interest: Constant Payment at 4.34%, 365 day year
3. Due 7/21/2018 for 153 Months, Manual Schedule Entries

Loan Contact: Mr James Punelli
Panthera
215 Depot Court SE
Floor 2
Leesburg, VA 20175
Phone: 304-530-5555

Loan is Currently Open

RECEIPTS

Effective Date	Check #	Due Date	Principal	Interest	Escrow	Other	Late Fee	Unapplied	Total
9/19/2013	1	9/21/2013	$21,202.92	$16,646.58	$0.00	$0.00	$0.00	$0.00	$37,849.50
10/28/2013	2	10/21/2013	$14,761.52	$23,087.98	$0.00	$0.00	$0.00	$0.00	$37,849.50
12/2/2013	3	11/21/2013	$17,190.95	$20,658.55	$0.00	$0.00	$0.00	$0.00	$37,849.50
1/27/2014	4	12/21/2013	$4,910.29	$32,939.21	$0.00	$0.00	$0.00	$0.00	$37,849.50
1/28/2014	5	1/21/2014	$37,261.88	$587.62	$0.00	$0.00	$0.00	$0.00	$37,849.50
3/13/2014	031314ach	2/21/2014	$12,189.14	$25,660.36	$0.00	$0.00	$0.00	$0.00	$37,849.50
5/8/2014	050814ac	3/21/2014	$5,272.06	$32,577.44	$0.00	$0.00	$0.00	$0.00	$37,849.50
5/8/2014	050814ac	4/21/2014	$37,849.50	$0.00	$0.00	$0.00	$0.00	$0.00	$37,849.50
6/16/2014	992017	5/21/2014	$15,361.71	$22,487.79	$0.00	$0.00	$0.00	$0.00	$37,849.50
7/10/2014	992021	6/21/2014	$24,054.78	$13,794.72	$0.00	$0.00	$0.00	$0.00	$37,849.50
8/8/2014	992326	7/21/2014	$21,263.82	$16,585.68	$0.00	$0.00	$0.00	$0.00	$37,849.50
9/29/2014	992337	8/21/2014	$8,241.22	$29,608.28	$0.00	$0.00	$0.00	$0.00	$37,849.50
11/5/2014	991179	9/21/2014	$16,818.33	$21,031.17	$0.00	$0.00	$0.00	$0.00	$37,849.50
12/29/2014	21	10/21/2014	$7,263.36	$30,586.14	$0.00	$0.00	$0.00	$0.00	$37,849.50
12/29/2014	20	11/21/2014	$37,849.50	$0.00	$0.00	$0.00	$0.00	$0.00	$37,849.50
1/20/2015	25	12/21/2014	$25,506.40	$12,343.10	$0.00	$0.00	$0.00	$0.00	$37,849.50
1/23/2015	27	1/21/2015	$36,175.44	$1,674.06	$0.00	$0.00	$0.00	$0.00	$37,849.50
5/18/2015	051815wi	2/21/2015	$0.00	$37,849.50	$0.00	$0.00	$0.00	$0.00	$37,849.50
5/18/2015	051815wi	3/21/2015	$12,021.20	$25,828.30	$0.00	$0.00	$0.00	$0.00	$37,849.50

Loan History
Sorted by Due Date, then Effective Date, then Check #

TenX Group, LLC

RECEIPTS

	Effective Date	Check #	Due Date	Principal	Interest	Escrow	Other	Late Fee	Unapplied	Total
	5/18/2015	051815wi	4/21/2015	$37,849.50	$0.00	$0.00	$0.00	$0.00	$0.00	$37,849.50
	5/18/2015	051815wi	5/21/2015	$37,849.50	$0.00	$0.00	$0.00	$0.00	$0.00	$37,849.50
	7/31/2015	073115wi	6/21/2015	$0.00	$37,849.50	$0.00	$0.00	$0.00	$0.00	$37,849.50
	10/7/2015	100715wi	7/21/2015	$0.00	$37,849.50	$0.00	$0.00	$0.00	$0.00	$37,849.50
	10/7/2015	100715wir	8/21/2015	$36,401.32	$1,448.18	$0.00	$0.00	$0.00	$0.00	$37,849.50
	6/1/2017	060117wi	9/21/2015	$20,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
	7/6/2017	070617wi	10/21/2015	$0.00	$20,000.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
	7/6/2017	070617wi	10/21/2015	$0.00	($20,000.00)	$0.00	$0.00	$0.00	$0.00	($20,000.00)
	7/6/2017	070617wi	10/21/2015	$20,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
	9/12/2017	091217wi	11/21/2015	$20,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,000.00
	7/6/2018	117	12/21/2015	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	8/3/2018	1071	1/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	8/31/2018	083118wi	2/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	10/1/2018	100118wi	3/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	11/1/2018	110118wi	4/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	11/30/2018	113018wi	5/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	1/2/2019	010219wi	6/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	2/1/2019	020119wi	7/21/2016	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	3/1/2019	030119wi	8/21/2016	$18,975.17	$18,464.83	$0.00	$0.00	$0.00	$0.00	$37,440.00
	4/1/2019	040119wi	9/21/2016	$37,440.00	$0.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	5/1/2019	050119wi	10/21/2016	$37,440.00	$0.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	5/31/2019	053119wi	11/21/2016	$37,440.00	$0.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	7/1/2019	070119wi	12/21/2016	$37,440.00	$0.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
	7/6/2018	117	7/21/2018	$0.00	$37,440.00	$0.00	$0.00	$0.00	$0.00	$37,440.00
Rev Chk	7/6/2018	117	7/21/2018	$0.00	($37,440.00)	$0.00	$0.00	$0.00	$0.00	($37,440.00)
Total Received			***Cash:***	$696,029.51	$759,078.49	$0.00	$0.00	$0.00	$0.00	$1,455,108.00
			Non-Cash:	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
			Total:	$696,029.51	$759,078.49	$0.00	$0.00	$0.00	$0.00	$1,455,108.00

Loan History
Sorted by Due Date, then Effective Date, then Check #

TenX Group, LLC

End of Report Processing: Friday, July 19, 2019 2:05 PM

EXHIBIT E-2

Notice of Default and Demand for Payment, dated August 14, 2019

spilman thomas & battle

William M. Herlihy
304.340.3838
wherlihy@spilmanlaw.com

August 14, 2019

Via Certified Mail (Return Receipt Requested) and Via U.S. Mail

Panthera Enterprises, LLC
1900 Campus Commons Drive, Suite 100
Reston, Virginia 20191
Attention: James V. Punelli, Manager

James V. Punelli
11654 Plaza America Drive, #320
Reston, Virginia 20190

Raymond C. Jones
43787 Bent Creek Terrance
Leesburg, Virginia 20176

Via Certified Mail (Return Receipt Requested) and Via U.S. Mail

Global Matrix Corporation
43787 Bent Creek Terrance
Leesburg, Virginia 20176
Attention: Raymond C. Jones

Pons Milvius LLC
11654 Plaza America Drive, #320
Reston, Virginia 20190
Attention: James V. Punelli

RE: **NOTICE OF DEFAULT / DEMAND LETTER**
PANTHERA ENTERPRISES, LLC

Dear Borrower and Guarantors:

My firm represents West Virginia Economic Development Authority ("WVEDA") in connection with the herein referenced Loan Agreements.

Panthera Enterprises, LLC (fka Tenx Group LLC, the "Borrower") entered into a Loan Agreement dated August 21, 2013, by which the Borrower agreed to repay the original loan balance of $5,000,000 ("First Loan") under the terms and conditions set forth therein (the "First Loan Agreement"). The Borrower also entered into another Loan Agreement dated July 2, 2014, by which the Borrower agreed to repay the original loan balance of $1,871,505 ("Second Loan") under the terms and conditions set forth therein (the "Second Loan Agreement") (collectively, the "Loan Agreements"). Repayment of the indebtedness evidenced by the Loan Agreements is secured by (1) a Credit Line Deed of Trust and Fixture Filing dated August 21, 2013, securing the First Loan in which Borrower granted a lien on a tract of real property containing 689.40 acres, more or less, located in the Moorefield District of Hardy County, West Virginia (the "First Deed of Trust"); (2) a Credit Line Deed of Trust and Fixture Filing dated July 2, 2014, securing the Second Loan in which Borrower granted a lien on two tracts of real property containing 689.40 acres and 58.09 acres, more or less, located in the Moorefield District of Hardy County, West Virginia (the "Second Deed of Trust") (collectively, the "Deeds of Trust") (the real property referred to in the Deeds of Trust is referred to as the "Collateral"); (3) Guaranty Agreements dated August 21, 2013, securing the First Loan executed by Matrix Corporation, Pons Milvius LLC, Raymond C. Jones, and James V. Punelli (the persons signing same are referred to hereinafter collectively as the "Guarantors"); and (4) Guaranty Agreements securing the Second Loan dated July 2, 2014, executed by the Guarantors (collectively, the "Guaranties").

As you know, the Borrower and Guarantors (collectively, the "Obligors") executed a Forbearance Agreement dated July 6, 2018, by which the Obligors agreed and acknowledged that they were in default of their obligations under the Loan Agreements. The Forbearance Agreement required, *inter alia*: (1) the Borrower to repay the full outstanding balances no later than January 6, 2019; (2) the Borrower to reduce delinquent property taxes; and (3) the Borrower to commit no other defaults under the Loan Documents. The Forbearance Agreement provides that upon the failure by the Obligors to fulfill any of the above conditions, the Borrower agreed that WVEDA would be entitled to declare the entire balances immediately due and payable and to exercise all of its rights and remedies under the Loan Agreements and supporting documents without any right to cure.

Without waiving the right to rely upon or declare any additional events of default, the Obligors have defaulted under the Loan Documents in the following ways: (1) FAILURE TO PAY WITHIN FORBEARANCE PERIOD; (2) SUBJECTING THE COLLATERAL TO UNAUTHORIZED THIRD PARTY LIENS; (3) FAILURE TO PAY AND MAINTAIN REAL ESTATE TAXES SUCH THAT THE COLLATERAL WAS SUBJECT TO TAX SALE and; (4) SALE OF THE TIMBER ON THE COLLATERAL TO A THIRD PARTY. Based on the foregoing events of default, WVEDA exercises its rights under the Loan Agreements, supporting documents, and Forbearance Agreement. WVEDA declares the accrued interest of $426,294.80 plus unpaid principal of $4,266,530.49 for a total outstanding balance of $4,692,825.29 due under the First Loan Agreement and the accrued interest of $145,622.83 plus unpaid principal of $1,616,001.07 for a total outstanding balance of $1,761,623.90 due under the Second Loan Agreement are both immediately due and payable in full. The balances on the First and Second Loans are effective as of August 1, 2019, and interest continues to accrue on these loans. WVEDA is also entitled under the governing loan documents to recover its attorneys' fees and expenses, which are not included in the above numbers, along with interest that continues to accrue.

If the Obligors fail to pay the above balances on or before August 21, 2019, then WVEDA will move to exercise the full panoply of its rights and remedies under the governing loan documents, including foreclosure of the Collateral and recovery of the deficiency balance, if any, remaining after application of the proceeds of such sale. If the Obligors intend to pay the full balance, please contact the undersigned for an updated payoff figure immediately before processing such payment.

In no event shall this letter be construed as evidence of forbearance of any kind on the part of WVEDA. The specification herein of certain rights, remedies or actions WVEDA may take in seeking to collect the indebtedness is without limitation of any other right, remedy or action WVEDA may elect to take or pursue. Nothing contained in this letter shall act to release or waive any right or remedy of WVEDA or any default or failure to perform on the part of the Obligors in regard to the Loan Agreements and supporting documents or any of the Obligors' obligations in regard to the same.

Any negotiations or discussions with WVEDA or any representative of WVEDA regarding the Loan Agreements and the Collateral shall not be binding upon WVEDA unless and until there is an agreement in writing executed by WVEDA and the appropriate counter party.

Very truly yours,

William M. Herlihy

William M. Herlihy

cc: Caren D. Wilcher (via e-mail)
Steven J. Webb (via e-mail)