

(1) -- THE PROCEEDS OF THE INVESTMENT SHALL BE USED EXCLUSIVELY TO COVER THE VENTURE CAPITAL NEEDS OF THE ENTERPRISE,

(2) -- THE ENTERPRISE HAS A REASONABLE CHANCE OF SUCCESS,

(3) -- THE AUTHORITY'S PARTICIPATION IS NECESSARY TO THE SUCCESS OF THE ENTERPRISE BECAUSE FUNDING FOR THE ENTERPRISE IS UNAVAILABLE, OR AVAILABLE ONLY IN INSUFFICIENT AMOUNTS OR OFFERED ON TERMS THAT WOULD SUBSTANTIALLY HINDER THE SUCCESS OF THE ENTERPRISE,

(4) -- THE ENTERPRISE SHALL CREATE EMPLOYMENT IN THE STATE,

(5) -- THE OWNERS AND FOUNDERS OF THE ENTERPRISE HAVE MADE, OR ARE PREPARED TO MAKE, A SUBSTANTIAL COMMITMENT OF MONEYS AND TIME TO THE ENTERPRISE,

(6) -- THE SECURITIES TO BE PURCHASED ARE QUALIFIED,

(7) -- THERE IS A REASONABLE PROBABILITY THAT THE AUTHORITY WILL RECOVER ITS INITIAL INVESTMENT AND AN ADEQUATE RETURN ON THE INVESTMENT, AND

(8) -- THE ENTERPRISE HAS MADE BINDING COMMITMENTS TO THE AUTHORITY TO-

(i) -- ADEQUATELY REPORT FINANCIAL DATA TO THE AUTHORITY, AND

(ii) -- CONTROL THE MANAGEMENT OF THE ENTERPRISE IN A MANNER THE AUTHORITY CONSIDERS PRUDENT TO PROTECT ITS INVESTMENT, INCLUDING GUARANTEEING THE RIGHT OF ACCESS TO FINANCIAL AND OTHER RECORDS OF THE ENTERPRISE.

(C) -- IF THE AUTHORITY MAKES A DIRECT INVESTMENT IN AN ENTERPRISE, IN ADDITION TO THE REQUIREMENTS UNDER SUBSECTIONS (A) AND (B) OF THIS SECTION, THE AUTHORITY SHALL FIND THAT A REASONABLE EFFORT HAS BEEN MADE BY THE ENTERPRISE TO FIND A PROFESSIONAL INVESTOR TO INVEST IN THE ENTERPRISE AS A COVENTURE AND THAT THE EFFORT WAS UNSUCCESSFUL.

(D) (B) UNDER THE PROGRAM, THE AUTHORITY MAY NOT MAKE INVESTMENTS IN QUALIFIED SECURITIES ISSUED BY AN ENTERPRISE IN EXCESS OF THE FOLLOWING LIMITS ANY EQUITY PARTICIPATION FINANCING SHALL SATISFY THE FOLLOWING REQUIREMENTS:

(1) THE AUTHORITY MAY SHALL NOT OWN SECURITIES REPRESENTING MORE THAN 49 45 PERCENT OF THE VOTING STOCK OF ANY 1 ENTERPRISE, OR INVEST MORE THAN \$250,000 IN THE SECURITIES OF ANY 1 ENTERPRISE.