

~~(2) IF THE ENTERPRISE SUFFERS SEVERE FINANCIAL DIFFICULTY, AS DETERMINED BY THE AUTHORITY, A GREATER PERCENTAGE OF SECURITIES MAY BE OWNED BY THE AUTHORITY OR AN ADDITIONAL INVESTMENT MAY BE MADE IN THE SECURITIES OF AN ENTERPRISE OF NOT MORE THAN A TOTAL INVESTMENT OF \$500,000.~~

13-242-

FRANCHISEE OR OWN AN INTEREST GREATER THAN 45 PERCENT IN ANY FRANCHISE.

(2) THE AMOUNT OF THE AUTHORITY'S EQUITY PARTICIPATION FINANCING FOR ANY FRANCHISE SHALL NOT EXCEED \$100,000 AND SHALL NOT EXCEED 45 PERCENT OF THE TOTAL INITIAL INVESTMENT IN THE FRANCHISE.

(3) THE TOTAL AMOUNT OF EQUITY PARTICIPATION FINANCING SHALL NOT EXCEED \$1,000,000 FOR ANY 12-MONTH PERIOD.

(4) THE AUTHORITY SHALL FIND THAT THERE IS A REASONABLE PROBABILITY THAT THE AUTHORITY WILL RECOVER ITS INITIAL INVESTMENT AND AN ADEQUATE RETURN ON INVESTMENT, AND THE AUTHORITY'S INVESTMENT SHALL BE RECOVERABLE WITHIN 5 YEARS OF THE EQUITY PARTICIPATION FINANCING UNLESS EXTENDED BY THE AUTHORITY.

(5) THE AUTHORITY'S RECOVERY SHALL BE THE GREATER OF THE CURRENT VALUE OF THE PERCENTAGE OF THE EQUITY INVESTMENT IN THE BUSINESS ENTITY OR THE AMOUNT OF THE INITIAL INVESTMENT IN THE BUSINESS ENTITY.

(6) THE VALUE OF THE BUSINESS ENTITY AT THE TIME OF RECOVERY SHALL BE THE AVERAGE OF 3 INDEPENDENT APPRAISALS OF THE VALUE.

(C) THE LIABILITY OF THE STATE OF MARYLAND AND OF THE AUTHORITY IN PROVIDING EQUITY PARTICIPATION FINANCING SHALL BE LIMITED TO ITS INVESTMENTS UNDER THE PROGRAM.

13-241.

(A) THE AUTHORITY SHALL OPERATE, THERE IS AN EQUITY PARTICIPATION INVESTMENT PROGRAM FUND ESTABLISHED AS A CONTINUING, NONLAPSING SPECIAL, REVOLVING FUND. A PROGRAM INVESTMENT FUND THAT CONSISTS OF MONEY APPROPRIATED BY THE STATE AND OTHER MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS.

(B) THE FUND CONSISTS OF MONEY DRAWN FROM THE SMALL BUSINESS DEVELOPMENT GUARANTY FUND, MONEY APPROPRIATED BY THE STATE, AND OTHER MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS.

(B) (C) THE FUND SHALL BE SELF-SUSTAINING AND SHALL ACHIEVE INVESTMENT RETURNS ON ITS PORTFOLIO IN THE FORM OF: