COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

April 10, 2026

Andrew Notarfrancesco, Chairman
REC FS LLC
230 S. Sporting Hill Road Suite 100
Mechanicsburg, PA 17050-3212

Re: Industrial Sites Reuse Loan ($750,000)
Former Frog, Switch and Manufacturing Company Property

Dear Chairman Notarfrancesco:

On behalf of Governor Shapiro, I am pleased to inform you that the Department of Community and Economic Development (the "Department") has approved your loan application for funding under the provisions of the Land Recycling and Environmental Remediation Standards Act (Act 2 of May 19, 1995, P.L. 4, No. 2) (the "Act"). The sum of Seven Hundred Fifty Thousand Dollars ($750,000) will be loaned to REC FS LLC (the "Borrower") for a term of fifteen (15) years at an annual interest rate of two percent (2%) per annum (the "Loan").

The Loan, which is being made and administered by the Department, is funded by the United States Environmental Protection Agency (the "EPA") pursuant to CERCLA Section 104 (k) and the Infrastructure Investment and Jobs Act (PL 117-58) (the "IIJA"). The Loan is subject to the terms and requirements set forth in the Cooperative Agreement dated July 20, 2023, as amended by the Assistance Amendment dated September 8, 2025, which terms and conditions are incorporated herein by reference (the "Cooperative Agreement").

This approval and the Department's agreement to make the Loan are being made in reliance on the information and representations made by the Borrower contained in the application submitted by the Borrower to the Department (the "Application") and will be subject to all terms and conditions stated in this commitment letter, including all attachments and exhibits and the Cooperative Agreement. The Loan will also be subject to the terms and conditions in a loan agreement and promissory note that the Borrower must sign before any funds are disbursed. The Loan will also be subject to the Act and all applicable regulations, policies and guidelines established by the Department and the terms and conditions of the EPA under the Cooperative Agreement.

The proceeds of the Loan will be used solely to defray part of the costs identified in Schedule A attached hereto (the "Costs") directly relating to the project described in the Application (the "Project") at 600 East High Street, Carlisle Borough, Cumberland County, Pennsylvania (the "Premises").

The Loan will be evidenced by a promissory note in the principal amount of the Loan (the "Note"). The Loan will be secured by a lien on the collateral described in Schedule B attached hereto (the "Collateral").

The Loan shall be governed by the terms of the Note and the Loan Agreement to be entered into between the Borrower and the Department. The closing may only take place after the Borrower has satisfied all the conditions set forth in this commitment letter including all attachments and exhibits. Unless all the conditions are satisfied, a closing will not be scheduled, and the Department will have no obligation to make the Loan.

The closing of and disbursement of the Loan will depend upon your compliance with the Act and all applicable regulations, policies and guidelines established by the Department, the terms and conditions of the EPA under the Cooperative Agreement, your compliance with the closing requirements set forth in Schedule C, and your acceptance of and compliance with the following conditions:

1. The Department will not entertain any requests to increase the funding by the Borrower of the Loan approved hereby, and that any increase in costs must be handled without the participation of the Department and in a manner satisfactory to the Department.

2. The Department's commitment to make the Loan is contingent upon the availability of funds for the Industrial Site Reuse Program Fund, including funding from the EPA through the Cooperative Agreement, as well as contingent upon the balance of the financing being finalized as outlined in the Project.

3. The Borrower shall provide audited year-end financial statements to the Department for the term of the Loan.

4. The Loan funds from the Department to the Borrower shall be deemed to be a "subaward" from EPA, subject to all applicable federal and state laws and terms and conditions (including, but not limited to CERCLA Section 104 (k) and 2 CFR Parts 200 and 1500), as set forth in more detail in exhibits to the Loan Agreement and Borrower shall covenant in the Loan Agreement to comply therewith.

5. In order to qualify for forgiveness of a portion of the Loan as set forth in Schedule B hereto, the Borrower must provide the Department with evidence from the Pennsylvania Department of Environmental Protections ("DEP") that the remediation was completed within acceptable standards and the Borrower must satisfy all Federal Requirements (as defined in Section 4.04 of the Loan Agreement). If the Department and DEP determine, in their sole discretion, that the performance standards or Federal Requirements were not met, the Department may require that the original principal amount of the Loan be repaid in full, despite the forgiveness provision in Schedule B.

6. The Applicant shall supply evidence to the Department that the contractor performing the lead-based paint abatement is certified and licensed by the PA Department of Labor and Industry to perform the work.

7. The Applicant shall supply evidence to the Department that the contractor performing the asbestos removal is certified and licensed by the PA Department of Labor and Industry to perform the work.

This commitment will be effective for a period of not more than thirty (30) days from your receipt hereof unless prior to the expiration of said period we receive your written acceptance of the terms and conditions. Please indicate your acceptance by returning the original commitment letter fully executed. Once accepted by you, this commitment will be valid for an additional one hundred eighty (180) days. Thereafter, this commitment shall be null and void. **To ensure that we use your correct name in preparing the necessary loan documents, please provide us with a copy of your certificate of organization, along with your countersigned commitment letter.**

This commitment is contingent upon loan closing and Project commencement within 180 days after the date of this letter. The Project must be completed no later than June 30, 2029. Failure to complete the Project by that date may result in termination of the Loan commitment or, if the Loan has already closed, shall constitute an event of default at the sole discretion of the Department.

This commitment is not assignable by the Borrower. Any such assignment shall be null and void.

If you have any questions concerning this matter, please do not hesitate to contact the program analyst, Stacie Chornak, at (717) 720-1425 or the attorney who will be representing the Department in this matter Kristina M. Kurjiaka, Esquire, Legal Office, 4th Floor, Commonwealth Keystone Building, Harrisburg, Pennsylvania 17120, (717) 720-7318. The signed commitment letter should be returned to Brian D. Eckert, Director, Site Development Office, 4th Floor, Commonwealth Keystone Building, Harrisburg, Pennsylvania 17120. Our receipt of the executed commitment letter will constitute your authorization to commence with the Project.

Sincerely,



Frederick C. Siger
Secretary

cc: Kristina M. Kurjiaka, Esquire

The foregoing terms and conditions are hereby agreed to and accepted this _____ day of _____, 2026.

ATTEST/WITNESS:

_____

REC FS LLC
FEIN: _____

By: _____
Name: Andrew Notarfrancesco,
Title: Chairman of the Board

SCHEDULE A

GENERAL DESCRIPTION OF THE PROJECT
COST BREAKDOWN

ASSESSMENT/REMEDIATION PROJECT:

$750,000	Industrial Sites Reuse Program Loan
$1,727,500	Borrower
$2,477,500	Total Project Cost

The project includes removal of the following:

1. Asbestos and lead based paint abatement of building contamination to include pre and post excavation sampling, excavation, disposal of hazardous materials, and PA DEP reporting.

SCHEDULE B

TERMS AND COLLATERAL

AMOUNT OF LOAN: $750,000

ANNUAL INTEREST RATE: 2 %

TERM: 15 Years

REPAYMENT TERMS:

The first payment will be due on the first day of the month following the first full month after the final disbursement of loan proceeds, or eighteen (18) months after the effective date of closing, whichever comes first. The first payment will be a full level payment of principal and interest to fully amortize the loan over the remaining term of the loan and will include any interest which accrued from the date of closing through the end of that month.

A discount of 50% of the principal of the Loan may be forgiven provided that the Borrower meets conditions included in paragraph five of this Commitment Letter.

PROVISIONS OF COLLATERAL:

1. A second priority mortgage on two tracts of land consisting of 16.22 acres (Parcel #02-21-0318-353) and 1.2 acres (Parcel #02-21-0316-046) owned by you at 600 East High Street, Borough of Carlisle, Cumberland County, Pennsylvania, together with all improvements now or hereafter constructed thereon (the "Premises"), subject only to the lien of a first mortgage on the Premises in favor of the Commonwealth of Pennsylvania, acting by and through the Department of Community and Economic Development securing a PA SITES loan in the original principal amount of $4,091,132.

SCHEDULE C

SUMMARY OF GENERAL TERMS AND CONDITIONS

1. The closing and disbursement of the Loan will depend upon your compliance with the terms of the Act, the guidelines promulgated by the Department, and the Cooperative Agreement and upon your acceptance of and compliance with the conditions set forth in the commitment letter and its attachments.

2. You must comply with the Closing Agenda provided by Department counsel, which will state the requirements for closing and disbursement of the Loan, including our requirements concerning property, liability and title insurance. At closing you will execute loan documents prepared by and/or in form satisfactory to Department counsel.

3. While the Loan remains unpaid, the Borrower must meet the requirements for one of the Landowner Liability Protections under CERCLA.

4. Prior to closing, you shall provide the Department with satisfactory evidence that all taxes and other monies due and owing to the Commonwealth of Pennsylvania by you are paid current as of the closing date, unless any of said taxes or other payments are being contested, in which case the Department may require that funds be escrowed to pay said taxes or other payments in the event of any adverse decision.

5. All contracts for work to be performed as part of the Project shall include the Commonwealth's Standard Non-Discrimination Clause, which is attached hereto and incorporated herein and comply with the requirements of the Davis-Bacon Act, federal procurement standards including, but not limited to, the Build America, Buy America (BABA) provisions of the IIJA, and the provisions of 40 CFR Part 33.

6. There shall be no material adverse change in your financial condition, or the guarantors, if any, from that disclosed by the financial statements delivered to the Department as a part of your Application.

7. You shall be obligated to and hereby agree to promptly provide whatever information relating to the Project is required and requested by the Department and the EPA in the format requested (and will protect the data by following all state and federal cybersecurity requirements), failing which the Department may, at is discretion, declare that a material default has occurred and take such action as it deems appropriate.

8. If a material default of the Loan occurs, the Department may, at its discretion, raise the rate of interest on the Loan to a rate not to exceed the greater of 12-1/2% per annum or the prime interest rate plus 2% per annum, applied retroactively to the time of the first occurrence of the default until such time as the default is cured, in accordance with the provisions of the documents to be executed in connection with the Loan. Examples of a material default include failure to provide Project information, insurance information and financial statements which will be required pursuant to the loan documents to be executed in connection with the Loan. A material default, for purposes of this paragraph, shall not include nonpayment which will be addressed in other provisions of the loan documents to be executed in connection with the Loan.

9. You shall execute the Note and be responsible for repayment of the Loan and all other obligations under the loan documents.

10. Prior to a disbursement request, the Borrower shall provide the Department with bid tabulations, permits and executed contracts for all Project-related costs.

NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE (Contracts)

a. **Representations.** The Grantee represents that it is presently in compliance with and will remain in compliance with all applicable federal, state, and local laws, regulations, and policies relating to nondiscrimination and sexual harassment for the term of the agreement. The Grantee shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to its books, records, and accounts by the Commonwealth for the purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

b. **Nondiscrimination/Sexual Harassment Obligations.** The Grantee shall not:

   i. in any manner discriminate in the hiring of any employee(s) for the performance of the activities required under this agreement or any subgrant agreement, contract, or subcontract, by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act ("PHRA") and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

   ii. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any of its employees.

   iii. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under this agreement or any subgrant agreement, contract, or subcontract.

   iv. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subgrantee, contractor, subcontractor, or supplier who is qualified to perform the work to which this agreement relates.

   v. in any manner discriminate against employees by reason of participation in or decision to refrain from participating in labor activities protected under the Public Employee Relations Act, Pennsylvania Labor Relations Act, or National Labor Relations Act, as applicable, and to the extent determined by entities charged with the Acts' enforcement and shall comply with any provision of law establishing organizations as employees' exclusive representatives.

c. **Establishment of Grantee Policy.** The Grantee shall establish and maintain a written nondiscrimination and sexual harassment policy that complies with the applicable law and these Nondiscrimination/Sexual Harassment provisions and shall inform its employees in writing of the policy. The policy must contain a provision that states that sexual harassment will not be tolerated and employees who practice it will be disciplined. For the entire period of this agreement, the Grantee shall: (1) post its written policy or these Nondiscrimination/Sexual Harassment provisions conspicuously in easily accessible and well-lighted places customarily frequented by employees at or near where the grant activities are performed; or (2) provide electronic notice of the policy or this clause to its employees not less than annually.

d. **Notification of Violations.** The Grantee's obligations pursuant to these provisions are ongoing from the effective date and through the termination date of the agreement. Accordingly, the Grantee shall notify the Commonwealth if, at any time during the term of this agreement, it becomes aware of any actions or occurrences that would result in violation of these provisions.

e. **Cancellation or Termination of Agreement.** The Commonwealth may cancel or terminate this agreement and all money due or to become due under this agreement may be forfeited for a violation of the terms and conditions of these Nondiscrimination/Sexual Harassment provisions. In addition, the granting agency may proceed with debarment or suspension and may place the Grantee in the Contractor Responsibility File.

f. **Subgrant Agreements, Contracts, and Subcontracts**. The Grantee shall include these Nondiscrimination/Sexual Harassment provisions in its subgrant agreements, contracts, and subcontracts with all subgrantees, contractors, and subcontractors providing goods or services under this agreement. The incorporation of these provisions in the Grantor's subgrants, contracts, or subcontracts does not create privity of contract between the Commonwealth and any subgrantee, contractor, or subcontractor, and no third-party beneficiaries are created by those provisions. If the Grantee becomes aware of a subgrantee's, contractor's, or subcontractor's violation of these provisions, the Grantee shall use its best efforts to ensure the subgrantee's, contractor's, or subcontractor's compliance with these provisions.

NOTE: ALL LOANS OF $250,000 OR MORE REQUIRE AN OPINION OF COUNSEL FROM AN ATTORNEY. UPON COMPLETION OF THIS SHEET PLEASE EMAIL IMMEDIATELY TO KRISTINA M. KURJIAKA, ESQUIRE AT KKURJIAKA@PA.GOV.

COUNSEL TO BORROWER:

NAME: _____

FIRM: _____

MAILING ADDRESS: _____

_____

_____

TELEPHONE NUMBER: _____

E-MAIL ADDRESS: _____