JANE E. LAWTON CONSERVATION LOAN PROGRAM

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made as of this ___ day of _____, 20__, between **[BORROWER]** (the "Borrower"), and the **MARYLAND ENERGY ADMINISTRATION**, an independent agency of the State of Maryland (together with its assigns or successors, the "Administration").

RECITALS

1. The Borrower is indebted to the Administration in the principal amount not to exceed $_____ plus applicable interest thereon (the "Loan"), which will be advanced to the Borrower pursuant to this Agreement. All capitalized terms used and not otherwise defined shall have the meaning assigned and set forth under Section 1.02 of this Agreement.

2. The Loan was made pursuant to the provisions of the Jane E. Lawton Conservation Loan Program ("Lawton Loan Program"), codified as Sections 9-20A-01 through 9-20A-10 of the State Government Article, Annotated Code of Maryland (as amended, the "Act").

3. The Loan proceeds shall be used by the Borrower for the activities described in Exhibit A hereto (collectively, the "Project").

4. The Loan is evidenced by a secured Note issued in favor of the Administration.

5. The Administration has agreed to make the Loan to the Borrower under the Lawton Loan Program to finance the Project subject to the terms and conditions of the Act, the regulations promulgated thereunder, and pursuant to this Agreement, the Note and the Financing Documents on terms and conditions more particularly described and set forth below.

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
DEFINITIONS

1.01. Accounting Terms. As used in this Agreement, and in the Financing Documents, or in any certificate, report or other document made or delivered pursuant thereto, accounting terms not defined in Section 1.02 or elsewhere in this Agreement and accounting terms partly defined in Section 1.02 to the extent not defined, shall have the respective meanings given to them under GAAP.

1.02. For the purposes of this Agreement the following terms shall have the following meanings:

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"Agreement" means this Loan Agreement as amended and supplemented from time to time hereafter.

"Application" means the Lawton Loan Program application from the Borrower to the Administration dated _____, as amended and supplemented from time to time hereafter.

"Balance Sheet" has the meaning used and set forth in Section 3.01(j) herein.

"Balance Sheet Date" has the meaning used and set forth in Section 3.01(j) herein.

"Books and Records" has the meaning used and set forth in Section 3.02(i) herein.

"Borrower's Contribution" means the Borrower's contribution (i.e., cash, in-kind, equipment) towards the Project as listed in the Application's Project budget worksheet.

"Claim" means any pending, threatened or outstanding actions, suits, claims or legal, administrative or arbitral proceedings or investigations or any order, directive, writ, injunction, judgment, ruling, award, edict, or decree, by a Governmental Authority against or involving the Borrower that would or could result in a Material Adverse Change, including, without limitation, fees, costs and expenses of attorneys, consultants, contractors, and experts.

"Closing Checklist" means Exhibit A to the Commitment Letter, as amended and supplemented from time to time hereafter.

"Closing Date" means _____ __, 201_ or such other date as may be agreed to by the parties hereto.

"Collateral" means the "Collateral" as such term is defined in the Security Agreement.

"Commitment Letter" means that certain conditional commitment letter issued by the Administration in connection with the Loan dated _____ __, 201_, as amended and supplemented from time to time hereafter.

"County" means any of the 23 counties of the State, and the Mayor and City Council of Baltimore, and any authorized agency or instrumentality of a county or counties"

"Default" has the meaning used and set forth under Article IV of this Agreement.

"Draw Schedule" means the anticipated schedule for disbursement set forth in Exhibit D to this Agreement, as Exhibit D may be amended and supplemented from time to time hereafter.

"Eligible Borrower" means a Local Jurisdiction, Nonprofit Organization, or Eligible Business that applies and qualifies for a loan under the Lawton Loan Program pursuant to the Act.

"Eligible Business" means a commercial enterprise or business in the form of a corporation, association, general partnership, limited partnership, joint general partnership, joint venture, or

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other form of legal organization that (1) has qualified and remains in good standing to do business in the State, and (2) is incorporated or registered to do business in the State.

"Eligible Project Costs" means any costs described in Exhibit A to this Agreement. Eligible Project Costs must be approved by the Administration.

"Environmental Requirement" means any current or future Law or other restriction, whether public or private, that in any way pertains to human health, safety or welfare, Hazardous Materials, Hazardous Materials Contamination or the environment (including any Law or restriction dealing with ground, air, water or noise pollution or contamination, and underground or above ground tanks).

"Equipment" has the meaning used and set forth in the Security Agreement.

"Expenses" means any and all costs and expenses incurred by the Administration (whether before or after a Default), in connection with, or in exercising or enforcing any rights, powers and remedies provided in, this Agreement or any of the Financing Documents, including, without limitation, reasonable attorneys' fees incurred by the Administration in all efforts made to enforce payment of any Obligation or effect collection of any Collateral, as well as all costs and expenses, including reasonable attorneys' fees and legal expenses, incurred in connection with entering into, a modification, or in the administration of the Loan required hereunder or requested by Borrower and enforcement of this Agreement, the Financing Documents and all related agreements, documents and instruments and/or the instituting, maintaining, preserving, enforcing and foreclosing of or on any security interest or lien in or against any Collateral used to secure the Loan, whether through judicial proceedings or otherwise, in defending or prosecuting any actions or proceedings arising out of or relating to the Administration's transactions with the Borrower under this Agreement or the Financing Documents, or, after the occurrence of and during the continuation of a Default, any advice given to the Administration with respect to its rights and obligations under this Agreement, the Financing Documents and all related agreements.

"_____ Financials" has the meaning used and set forth in Section 3.01(j) herein

"Financing Documents" means collectively all documents, instruments, certifications, statements or agreements of any kind executed and delivered in connection with the Loan and the Obligations, including, but not limited to, this Agreement, the Note, the Security Agreement, **[the Guarantee Agreement,]** and any other document or application, evidencing, describing or securing the Loan under the Lawton Loan Program, as each of them may be amended and supplemented from time to time hereafter.

"GAAP" means generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority" means the United States, the State, and any local governmental or quasi-governmental or political subdivision, authority, agency, bureau, commission, department, board or other instrumentality thereof asserting or exercising jurisdiction over any aspect of the Project or the Financing Documents.

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[**"Guarantor" (or if more than one, collectively the "Guarantors") means _____.**]

[**"Guaranty Agreement" means the guaranty agreement executed by one or more Guarantors in favor of the Administration, guaranteeing payment of the Obligations of the Borrower, as amended and supplemented from time to time hereafter.**]

"Hazardous Materials" means any hazardous or toxic substances, wastes or materials, including any substance that contains asbestos, radon, polychlorinated biphenyls, urea formaldehyde, explosives, radioactive materials, or petroleum products, that, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a present or potential hazard or nuisance to human health, safety or welfare or to the environment.

"Hazardous Materials Contamination" means the present or future contamination of (a) any part of the Project, including soil, ground water, and air, by Hazardous Materials, or (b) any part of any other property (including soil, ground water, and air) or improvement as a result of Hazardous Materials emanating from the Project.

"Hydric Soils" means any soil category upon which building could be prohibited or restricted under any applicable Law, including any restrictions imposed by the Army Corps of Engineers based upon its guidelines concerning soil, vegetation, and effect on the ecosystem.

"Indebtedness" of a Person at a particular date means, without duplication, (a) all obligations of such Person which in accordance with GAAP would be classified upon a balance sheet as liabilities (except capital stock and surplus earned or otherwise) and in any event, without limitation by reason of enumeration, shall include all borrowed indebtedness, debt and other similar monetary obligations of such Person whether direct or guaranteed (other than by means of endorsement of instruments for deposit or collection only), and all premiums, if any, due at the required prepayment dates of such indebtedness; and (B) all indebtedness secured by mortgage, deed of trust, pledge, lien, charge or encumbrance on assets owned by such Person, whether or not such indebtedness actually shall have been created, assumed or incurred by such Person.

"Indemnitee" has the meaning used and set forth in Section 3.02(m) herein.

"Interim Financials" has the meaning used and set forth in Section 3.01(j) herein.

[**"Landlord" means _____, which is the landlord under the Lease.**]

"Landlord Waiver" has the meaning used and set forth in Section 3.02(q) herein.

"Laws" means the Act in addition to all current or future federal, state and local laws, statutes, rules, ordinances, regulations, codes, decisions, interpretations, orders, or decrees of any court or other Governmental Authority or any Environmental Requirement having jurisdiction over any aspect of the Project or the Financing Documents.

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[**"Lease" means that certain Lease Agreement by and between _____ and Borrower dated _____ __, ____, pursuant to which Borrower leases the Leased Real Property.**]

[**"Leased Real Property" means certain real property leased by or for the benefit of Borrower located at _____ _____, _____, _____ _____.**]

"Liabilities" has the meaning used and set forth in Section 3.01(l) herein.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, security interest, assignment, judgment, lien, levy, assessment, injunction or attachment, charge or encumbrance, or preference, priority or other security agreement or preferential arrangement in respect of any asset of the Borrower of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, any liens or claims for liens for materials supplied or for labor or services performed, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"Loan" means and includes all sums advanced and evidenced by the Note and any and all disbursements made by the Administration to Borrower hereunder.

"Local Jurisdiction" means any County or Municipality of the State and includes the board of education or community college of a county.

"Material Adverse Change" means a negative and material impact on the results of operations, authority, earnings, business, prospects, properties, assets or condition (financial or otherwise) of the Borrower or an event that materially impairs the ability of the Borrower to perform any of its Obligations under this Agreement or the Financing Documents.

"Municipality" means any municipal corporation or State-created special taxing district in Maryland subject to the provisions of Article XI-E of the Maryland Constitution, or any authorized agency or instrumentality of the municipality.

"Nonprofit Organization" means a corporation, foundation, school, hospital, or other legal entity described under 26 U.S. Code § 501 in subsection (c) or (d) or 26 U.S. Code § 401(a) that is exempt from taxation under subsection § 501 (a), whereby no part of the net earnings or assets inure to the benefit of any private shareholder or individual holding an interest in such entity.

"Note" means that certain promissory note dated the date hereof in the original principal amount of $_____ issued by the Borrower, payable to the order of the Administration and representing the obligation of the Borrower to pay a principal amount equal to the outstanding amount of the Loan with interest on the unpaid principal amount outstanding from time to time in accordance with its stated terms as contemplated under this Agreement.

"Obligation" means and includes any and all of Borrower's indebtedness and/or liabilities to the Administration of every kind, nature and description, direct or indirect, secured or

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unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, under this Agreement, or the other Financing Documents or under any other agreement between Borrower and the Administration relating hereto (regardless of how such indebtedness or liabilities arise or by what agreement of instrument they may be evidenced or whether evidenced by any agreement or instrument) and all obligations of Borrower to the Administration to perform acts or refrain from taking any action under this Agreement, or the other Financing Documents, including, without limitation, all duties of payment, performance, and completion owed by the Borrower to the Administration under the Financing Documents and by law, such as, without limitation, the obligations to:

(a) Pay all sums of money owed in connection with the Loan and any of the Financing Documents, including (i) all sums of principal, interest, and premium, if any, due or to become due, (ii) all past, present, and future advances under any of the Financing Documents, (iii) any late fees or other charges payable by the Borrower, (iv) all money advanced or expended by the Administration as provided for in any of the Financing Documents, and (v) all Expenses; and

(b) Strictly observe and perform all of the provisions of the Financing Documents, time being of the essence.

"Person" means, as it may apply, any individual, partnership, a limited liability company, corporation, business trust, a joint stock company, trust, unincorporated association or organization, joint venture, Governmental Authority or any other legal or commercial entity of whatever nature.

"Pro Forma Balance Sheet" has the meaning used and set forth in Section 3.01(k) herein.

"Project" means any and all activities necessary to enable the Borrower to complete the activities described in Exhibit A to this Agreement, as Exhibit A may be amended and supplemented from time to time hereafter.

"Regulations" means the regulations in the Code of Maryland Regulations (COMAR) 14.26.01.00 through 14.26.01.9999, as they may be amended.

"Request for Disbursement" means the document in substantially the form of Exhibit B hereto, submitted by the Borrower under this Agreement for disbursement of the Loan (or part thereof) pursuant to and in accordance with Article II hereof.

"Security Agreement" means the Security Agreement dated the date hereof between the Administration and the Borrower.

"State" means the State of Maryland.

"Taxes" has the meaning used and set forth in Section 3.01(n) herein.

"Tax Return" has the meaning used and set forth in Section 3.01(n) herein.

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"UCC" means the Uniform Commercial Code as adopted in the State.

ARTICLE II
TERMS OF THE LOAN AND DISBURSEMENT

Section 2.01. The Loan.

Simultaneously with the execution and delivery of the Financing Documents on the Closing Date, and subject to the terms and conditions of all of the Financing Documents, the Administration agrees to make the Loan to the Borrower and the Borrower agrees to accept the Loan under the Lawton Loan Program.

Section 2.02. Repayment and Interest.

All sums advanced under the Loan shall be evidenced by the Note and shall be repaid with interest in accordance with the provisions of the Note and any attachments thereto, payable in accordance with the schedule listed on Exhibit E to this Agreement, as such Exhibit E may be amended and supplemented from time to time hereafter.

Section 2.03. Disbursements.

(a) In General. Subject to the continued compliance by the Borrower with all of the terms of all of the Financing Documents, the continued satisfaction of all conditions precedent to disbursing Loan proceeds under this Agreement, and the continued non-existence of a Default or any event, circumstance, act or omission which with the giving of notice or lapse of time would constitute a Default, the Administration shall advance to the Borrower the full amount of the Loan pursuant to a completed Request for Disbursement, the form of which is attached hereto as Exhibit B of this Agreement.

(b) Disbursement Schedule. All requests for disbursements shall be made to the Administration at the address specified in Section 5.02 below, or at any other place that the Administration designates. The Borrower shall submit requests for disbursements according to the Draw Schedule set forth in Exhibit D of this Agreement as such Exhibit D may be amended and supplemented from time to time hereafter.

(c) Disbursements to the Borrower. All disbursements shall be made directly to the Borrower by check issued by the Comptroller of Maryland. The Administration shall only authorize the Comptroller of Maryland to disburse Loan proceeds upon presentation to the Administration by the Borrower of invoices, bills, or other satisfactory proof of payments to reimburse the Borrower for payments made for Eligible Project Costs.

(d) Receipt of Request for Disbursement. The Administration shall have received a completed Request for Disbursement as a condition precedent for making any disbursement of the Loan. In the case of any disbursement, after giving effect thereto, the aggregate outstanding Loan shall not exceed the maximum principal amount of the Note.

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(e) All Disbursements Constitute One Loan. Each and every Request for Disbursement and all disbursements by the Administration to Borrower under this Agreement shall constitute one Obligation of the Borrower, secured to the extent secured by any security interest or lien in or against all of the Collateral or real property granted under the Financing Documents, and by all other security interests, liens, claims and encumbrances heretofore, now or at any time or times hereafter granted by Borrower to the Administration.

(f) Conditions Precedent for all Disbursements. The agreement of the Administration to make any disbursements of the Loan is subject to the satisfaction or waiver by the Administration, immediately prior to or concurrently with the making of such disbursement, of the following conditions precedent as of the date the Request for Disbursement is made:

(i) The Financing Documents. The Administration shall have received the Financing Documents including the Note duly executed and delivered by an authorized officer or Person with the legal right, power and authority to represent the Borrower, together with such other related documents and instruments as the Administration shall require.

(ii) Corporate Proceedings of the Borrower. The Administration shall have received a copy of the resolution duly adopted as an official act of the Borrower, authorizing the execution and delivery of all of the Financing Documents by the Borrower, and authorizing and directing the Person executing the Financing Documents and each and every Request for Disbursement to do so on behalf of the Borrower (collectively, the "Resolution"), in each case certified by the Secretary or assistant secretary of the Borrower as of the Closing Date; and such certification shall state that the Resolution has not been amended, modified, revoked or rescinded as of the date of such certificate.

(iii) Filings, Registrations and Recordings. Each document (including, without limitation, any Uniform Commercial Code financing statement) required by Law or under the Financing Documents, any related agreement or reasonably requested by the Administration to be filed, registered or recorded in order to create, in favor of the Administration, a perfected security interest in and lien upon the Collateral or any real property shall have been properly filed, registered or recorded, and the Administration shall have received an acknowledgement copy, or other evidence reasonably satisfactory to it, of each such filing, registration or recording and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto.

(iv) Evidence of Insurance. The Administration shall have received evidence satisfactory to it that Borrower has obtained all policies of insurance required pursuant to Section 3.02 (g).

(v) No Adverse Proceedings. No litigation, investigation or proceeding before or by any arbitrator, Governmental Authority or court shall be continuing or threatened against Borrower or against the officers or directors or managing members or general partners of Borrower which if adversely determined, would, in the opinion of the Administration, result in a Material Adverse Change; and no injunction, writ, restraining order or other order of any nature materially adverse to the Borrower or the conduct of its business or inconsistent with the due consummation

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of any of the transactions contemplated under the Financing Documents shall have been issued by any Governmental Authority.

(vi) Representations and Warranties. Upon each disbursement, the Borrower shall be deemed to have issued anew each of the representations and warranties contained in Section 3.01 and the other provisions of this Agreement. Each of the representations and warranties made by the Borrower in or pursuant to this Agreement, the Financing Documents, and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time pursuant to the Financing Documents, or any related agreement shall be true and correct in all materials respects on and as of such date as if made on and as of such date.

(vii) No Default. No Default shall have occurred and be continuing on such date or after giving effect to any disbursement to be made on such date. There shall be no breach, default, or event of default (including a Default) under the terms of any of the Financing Documents, and no event, circumstance, act, or omission shall exist which with the giving of notice or lapse of time would constitute a breach, default, or event of default (including a Default) under any of the Financing Documents. In no event shall the Administration be obligated to make any advance or disbursement under this Agreement if a Default has occurred or if the advance or disbursement would cause the total principal amount of advances or disbursements made to exceed the amount of the Loan under the Note.

(viii) No Material Adverse Change. No Material Adverse Change shall have occurred before or shall occur after giving effect to any disbursement of the Loan.

(ix) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Financing Documents shall be satisfactory in form and substance to the Administration and its counsel.

(x) Specific Representations and Warranties. Each Request for Disbursement by the Borrower hereunder shall constitute a specific representation and warranty by the Borrower as of such date as follows:

1. Availability of Funds and Reduction of Loan. Disbursements of Loan proceeds are subject to the continuing availability of funds for such purpose, the State's fiscal position, the Administration's financial resources, and compliance with all applicable Laws. The Administration may, at any time, assess the State's fiscal position and the Administration's financial resources and reduce the amount of undisbursed Loan funds.

Section 2.04. Initial Disbursement.

Before disbursing any Loan proceeds, the Borrower shall satisfy all conditions precedent noted above and the Administration shall receive all of the items set forth on the Closing Checklist or hereunder, in form and substance acceptable to the Administration.

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Section 2.05. Final Disbursement.

When the Borrower submits to the Administration the final Request for Disbursement, the Borrower shall submit to the Administration evidence with required documentation in form and substance acceptable to the Administration that the Project is either substantially completed or otherwise ready for final disbursement. The Administration shall have received such evidence satisfactory to it of any completed application or request for the issuance from the appropriate Governmental Authority of all certificates or permits required to operate the Project. Such certificates shall not be subject to any conditions or qualifications except as may be reasonably acceptable to the Administration. Borrower shall have furnished to the Administration such additional evidence as is reasonably necessary, in the Administration's sole and absolute opinion, to show that all conditions and requirements for operation of the Project are or shall be satisfied.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER

Section 3.01. Representations and Warranties.

The Borrower (to the fullest extent applicable to its Eligible Borrower status) represents and warrants as follows:

(a) Organization. The Borrower is an Eligible Borrower duly organized, validly existing, qualified to do business and in good standing under the laws of the State or jurisdiction of its organization or incorporation. The Borrower is also qualified to do business and in good standing in all of the jurisdictions in which the nature of the business conducted or the property owned by Borrower requires such qualification and Borrower has all requisite corporate power and authority to own and lease its properties, to carry on its business as presently conducted and as proposed to be conducted.

(b) Authorization. The Resolution has been duly adopted as an official act of the Borrower, authorizing the execution and delivery of all of the Financing Documents by the Borrower, and authorizing and directing the Person executing the Financing Documents and each and every Request for Disbursement to do so on behalf of the Borrower, as certified by the Secretary or assistant secretary. All corporate action on the part of the Borrower, its officers, directors and stockholders or members or partners necessary for the authorization, execution and delivery of the Financing Documents, the performance of all obligations of the Borrower hereunder and thereunder as of the Closing Date and the authorization, issuance and delivery of the Note in favor of the Administration has been taken prior to the Closing Date, and this Agreement together with the Financing Documents constitute valid and legally binding Obligations of the Borrower, enforceable in accordance with their respective terms.

(c) Authority. The Borrower has the full power, authority and legal right to: (i) enter into this Agreement and perform all of its Obligations hereunder, (ii) consummate the transactions contemplated under the Financing Documents, (iii) borrow the Loan under the Lawton Loan Program pursuant to the Act as set forth hereunder, (iv) execute and deliver all of the Financing

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Documents to which it is a party, and (v) fully comply with all of the terms and conditions set forth under all of the Financing Documents, all of which have been duly authorized by all necessary corporate action of the Borrower or appropriate party thereto. The execution, delivery and performance hereof by Borrower are within the Borrower's powers, corporate or otherwise, have been duly authorized, are not in contravention of any law or the terms of the Borrower's certificate of incorporation, by-laws or other applicable document relating to the Borrower's formation or to the conduct of the Borrower's business or affairs or of any material agreement or undertaking to which the Borrower is a party or by which the Borrower is bound. No approval of any other Person or Governmental Authority, public authority or regulatory body is required as a condition to the validity of any of the Financing Documents, or, if required, such approval has been obtained.

(d) No Violation. The execution, delivery and performance by the Borrower of the Financing Documents, including, but not limited to, the issuance and delivery of the Note in favor of the Administration, and compliance with the provisions thereof, will not: (i) violate any provision of Law applicable to the Borrower or Project or any ruling, writ, injunction, order, judgment or decree of any court, arbitrator, administrative agency or other governmental body applicable to the Borrower or any of its properties or assets; (ii) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute (with notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under any material agreement; (iii) result in or require the creation of any Lien upon any of the properties or assets of the Borrower; or (iv) conflict with or violate any provision of its certificate of incorporation or bylaws or governing documents.

(e) Approvals. No material permit, authorization, consent or approval of or by, or any notification of or filing with, any Person or entity (governmental or otherwise) is required in connection with the Project and any and all such approvals have been obtained, or expects to be obtained before the execution, delivery of, or performance under, the Financing Documents by the Borrower, including, but not limited to, the issuance and delivery of the Note in favor of the Administration where the failure to so obtain any such approval could or would result in a Material Adverse Change.

(f) Consents. No consent, approval or authorization is required to be obtained from, no notice is required to be given to, no action is required to be taken by, and no filing is required to be made with, any Person by the Borrower in order (i) for the Financing Documents to constitute its legal, valid and binding Obligation, or (ii) to authorize or permit the consummation of the transactions contemplated under the Financing Documents.

(g) Application. All information in the Application was true and complete in all material respects as of the date of the Application. The Borrower is aware of no event that would require any amendment to the Application in order to make any information in the Application true and complete in all material respects and not misleading in any material respect as of the date of this Agreement, and the Borrower is aware of no event or other fact that should have been, and has not been, reported in the Application as material information.

(h) Financing Document Defaults. There is no event of default or default (including a Default) on the part of the Borrower under any of the Financing Documents, and no event has

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occurred or is continuing that, with notice of lapse of time would constitute an event of default or default (including a Default) under any of the Financing Documents.

(i) Compliance with Laws. The Borrower is in compliance with and not in violation of any applicable Law, or any other requirement imposed by a Governmental Authority that would or could result in a Material Adverse Change, including any Law rendering certain payments to officers or employees of any Governmental Authority illegal. The Borrower has no knowledge of any such violation being threatened.

(j) Financial Statements.

(i) The audited financial statements and balance sheets of the Borrower as of _____ __, 20__, and the related statements of operations, retained earnings, stockholder's equity and cash flows for the fiscal year then ended, copies of which are [**attached to the Application**], fairly present in all material respects the financial condition, assets and liabilities (whether accrued, absolute, contingent or otherwise) and results of operation of the Borrower as at such date and for such period, in accordance with GAAP, except as otherwise stated therein, consistently applied. The foregoing financial statements of the Borrower as of _____ __, 20__, are called the "_____ Financials." The balance sheet included in the _____ Financials is called the "Balance Sheet" and _____ __, 20__, is called the "Balance Sheet Date."

(ii) The un-audited financial statements and balance sheets of the Borrower as of _____ __, 20__, and the related statements of operations and cash flows for the fiscal year then ended, copies of which are [**attached to the Application**], fairly present in all material respects the financial condition, assets and liabilities (whether accrued, absolute, contingent or otherwise) and results of operation of the Borrower as at such date and for such period, in accordance with GAAP, except as otherwise stated therein, applied on a basis consistent with that of the _____ Financials (subject to normal year-end adjustments). The foregoing unaudited balance sheet and statement of operations of the Borrower as of _____ __, 20__, are called the "Interim Financials."

(k) Pro Forma Balance Sheet. The pro forma balance sheet of Borrower (the "Pro Forma Balance Sheet") furnished to the Administration on or before the Closing Date [**attached to the Application**], reflects the consummation of the transactions contemplated under the Financing Documents and fairly presents in all material respects the financial condition, assets and liabilities (whether accrued, absolute, contingent or otherwise) and results of operation of the Borrower as at such date and for such period, after giving effect to such transactions, and has been prepared in accordance with GAAP applicable to pro forma statements, except as otherwise stated therein, consistently applied.

(l) Liabilities. As of the Balance Sheet Date, the Borrower has no direct or indirect Indebtedness, liability, Claim, loss or damage, known or unknown, liquidated or unliquidated, accrued, absolute, contingent or otherwise, of a kind required by GAAP to be set forth on the _____ Financials or the Interim Financials ("Liabilities") that was not fully and adequately reflected or reserved against in the Balance Sheet. The Borrower has not incurred any Liabilities

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since the Balance Sheet Date. The Borrower has no knowledge of any circumstance, condition, event or arrangement that may hereafter give rise to any Liabilities of the Borrower.

(m) No Material Adverse Change. Since the Balance Sheet Date no act or occurrence or failure to act has resulted in a Material Adverse Change, nor has there been any damage, destruction or loss that could have or has resulted in a Material Adverse Change, whether or not covered by insurance.

(n) Tax Matters. Any and all reports, returns, declarations or other filings with respect to any federal, state, local or foreign income, excise, sales, franchise, use and other taxes (either a "Tax Return" or "Taxes") required to be filed on or before the date hereof with respect to or by the Borrower have been duly filed or will have been timely filed on or before such date. All such Tax Returns are true and complete. All Taxes due on or before such date, and all Taxes or assessments received with respect to the Borrower have been paid in full. The Borrower has no liability, contingent or otherwise, with respect to Taxes due after such date, for periods ending on or before such date or for the portion ending on such date of any period that includes such date, other than Taxes incurred in the ordinary course of business. No deficiencies or reassessments for any Taxes with respect to the Borrower have been proposed, asserted or assessed that have not been paid in full and no waivers of the time to assess any Taxes have been given or requested. There is no known pending or threatened Tax audit of any Tax Return filed with respect to the Borrower that has not been disclosed to the Administration.

(o) Zoning. The intended use of the Project will not violate any zoning or other similar Law, or any restrictive covenant or agreement of the Borrower (now in existence or known by the Borrower to be proposed) applicable to the Project or its use, and all requirements for such use have been satisfied.

(p) Environmental Conditions. To the Borrower's knowledge, the Project, including the land, surface water, and ground water on which the Project is constructed: (i) is free of any substantial amounts of waste or debris; (ii) is free of any Hazardous Materials and Hazardous Materials Contamination; (iii) has never been used as a manufacturing, storage, or dump site for Hazardous Materials; (iv) is in compliance with all Environmental Requirements; and (v) contains no Hydric Soils.

(q) Charter Documents and Corporate Records. The Borrower has delivered to the Administration true and complete copies of its governing documents (i.e., certificate of incorporation and by-laws), each as amended to date, of the Borrower. To the extent related to the Loan and the Financing Documents and transactions contemplated thereunder, the stock books of the Borrower have been made available to the Administration and are true and complete.

(r) Lien of Security Agreement. Upon execution of the Security Agreement, the Administration will have a valid and, subject to any permitted liens, first lien security interest in the Equipment listed in Exhibit B to and as required under the Security Agreement, which shall be perfected by the filing of the necessary financing statements in the appropriate locations.

(s) Operations of the Borrower. Since the Balance Sheet Date the Borrower has not: (i) incurred any Indebtedness for borrowed money; (ii) made any change in its accounting methods

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or practices or made any change in depreciation or amortization policies or rates adopted by it; (iii) added to or abandoned any of its lines of business; (iv) made any loan to any of its shareholders, principals, officers, directors, employees, consultants, agents or other representatives, or made any other loan otherwise than in the ordinary course of business; (v) sold, abandoned or made any other disposition of any of its properties or made any acquisition of all or any part of the properties, capital stock or business or any other Person; (vi) paid, directly or indirectly, any of its Liabilities to any lender with the proceeds of any loan; (vii) terminated or failed to renew, or received any written threat to terminate or fail to renew, any contract that could or would result in a Material Adverse Change; or (viii) entered into an agreement to do any of the foregoing.

(t) Full Disclosure. No Material Adverse Change has occurred up to and including the date of this Agreement. Neither this Agreement, nor any of the Financing Documents nor any other document, financial statement, credit information, certificate, opinion, report, schedule or statement furnished to the Administration by the Borrower in connection with the Project, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact which the Borrower has not disclosed to the Administration in writing, which materially and adversely affects nor, so far as the Borrower can now actually foresee, is reasonably likely to affect materially and adversely the business, operations, prospects, profits or condition (financial or otherwise) of Borrower, or the ability of the Borrower to perform the Borrower's Obligations.

Section 3.02. Borrower's Covenants.

The Borrower (to the fullest extent applicable to its Eligible Borrower status) covenants and agrees that it shall, until payment and satisfaction in full of the Obligations, act as follows:

(a) Repayment and Performance. The Borrower shall promptly pay and fully perform all of the Obligations at the times and in the manner provided in the Financing Documents.

(b) Use of Loan Proceeds. The Borrower shall use the Loan proceeds solely for Eligible Project Costs.

(c) Energy Efficiency Reporting. The Borrower shall furnish the Administration with:

(i) Such reports as the Administration may reasonably require in order to verify the annual energy savings, or lack thereof, resulting from the Project;

(ii) Current information concerning utilities from which the Borrower purchases services, and utility account numbers, and to advise the Administration of changes in these accounts when they occur, and if they may affect the efficient gathering of billing information necessary to verify energy savings, or the lack thereof, resulting from the Project; and

(iii) Any additional information related to the Project reasonably requested by the Administration.

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(d) Utility Cost Monitoring. The Borrower agrees to permit the inspection of Borrower's financial records at least annually to verify payment of utility costs and to compare annual utility costs with budgeted amounts to verify savings, if any, achieved by the Project.

(e) Payment of Indebtedness and Contractors. The Borrower will promptly pay, discharge or otherwise satisfy at or before maturity all Indebtedness and Liabilities and other material obligations of whatever nature, including, without limitation, all contractors and materialmen the amounts as and when due them in connection with the Project.

(f) Maintenance of the Project and Conduct of Business. The Borrower shall, at its sole cost and expense: (i) keep, or cause to be kept, the Equipment in good condition, working order, and repair; (ii) make, or cause to be made, all replacements to any of the Equipment so that the Project will always operate at optimum efficiency; (iii) operate, or cause to be operated, the Project in the manner in which similar property is operated by persons operating a first-class business of a similar nature; (iv) conduct continuously and operate actively its business according to good business practices and maintain all of its material properties useful or necessary in its business in working order and good condition; (v) keep in full force and effect its existence and comply in all materials respects with applicable Laws and regulations governing the conduct of its business, the failure of which to maintain or so comply would result in a Material Adverse Change; and (vi) make all such reports and pay all such franchise and other taxes and fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under applicable Law.

(g) Insurance. The Borrower shall obtain and continuously maintain insurance for so long as the Loan remains outstanding in accordance with the requirements set forth in Exhibit C to this Agreement. If Borrower fails to obtain and continuously maintain such insurance as hereinabove provided, or to keep the same in force, the Administration, if the Administration so elects, may obtain such insurance and pay the premium therefor for Borrower's account. Any such Expense incurred by the Administration and charged to Borrower's account shall accrue interest at a rate equal to 12% per annum and shall be part of the Obligations.

(h) Notification of Claims. The Borrower shall promptly notify the Administration in writing of any (i) Claim or Liabilities that have been or may be asserted against the Borrower, (ii) default or event of default under the terms of any bond, debenture, note, or other evidence of Indebtedness of the Borrower, (iii) litigation affecting Borrower, whether or not any such Claim is covered by insurance, and of any suit or administrative proceeding or violation of applicable Law, in each case if the same may materially and adversely affect the Collateral or result in a Material Adverse Change.

(i) Books and Records. The Borrower shall keep any books, records, audits, correspondence and all other papers relating to the Project and other documents that may be required under the rules and procedures now or hereafter applicable to loans made by the Administration pursuant to the Act, and as may be reasonably necessary to disclose fully the amount and status of the Loan, the total costs incurred to complete the Project, and the source of all funds expended towards the costs of the Project (collectively, the "Books and Records"). All such books, records and other documents shall be maintained at the offices of the Borrower with

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authorization hereby given for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Administration. All books, records and other documents shall be maintained until the first to occur of (i) three years after completion of the Project, or (ii) the completion of an audit of the Project by the State.

(j) Access. Any duly authorized representative of the Administration shall, at all reasonable times and with reasonable prior notice, have access to all portions of the Project. At such times the Administration shall have full access to and the right to audit, check, inspect and make abstracts and copies from, Borrower's Books and Records and all other papers relating to the Project.

(k) Press Releases. Without the prior consent of the Administration, Borrower shall not issue any press releases in connection with the Loan, the State, or the Administration.

(l) Further Assurances. At any time, upon request by the Administration, the Borrower, at its sole expense, will make, execute, and deliver, or cause to be made, executed, and delivered, any additional documents that may, in the opinion of the Administration, be reasonably necessary or desirable to effectuate, complete, perfect, continue, or preserve the Obligations. Upon any failure by the Borrower to do so (within ten days following written notice of such failure from the Administration to the Borrower), the Administration may make and execute any such documents in the name of the Borrower, and at the sole expense of the Borrower, and the Borrower hereby irrevocably appoints the Administration or the Administration's designee as its agent and attorney-in-fact of the Borrower to do so, this appointment being coupled with an interest. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgement or mistake of fact or of law; this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid. The Administration may, at its option, advance the Expenses incurred in making and executing and recording any such documents and the Borrower shall reimburse the Administration for any sums advanced with interest. Any such Expense incurred by the Administration and charged to Borrower's account shall accrue interest at a rate equal to 12% per annum and shall be part of the Obligations.

(m) Indemnification. To the extent allowed by Maryland law, the Borrower releases the State and the Administration and its agents, designees and employees (collectively, the "Indemnitee") from, and agrees to protect, indemnify and save each of them harmless against, any Claim, all Liabilities and Expenses incurred by, or asserted against, any of them, including but not limited to Hazardous Materials located at or placed in the Project and any requirements imposed by any Governmental Authority with respect to Hazardous Materials, arising in connection with the Loan or the Project, except in the event of the Indemnitee's gross negligence or willful misconduct. All money expended by the State or the Administration as a result of any such Claim, all Liabilities and Expenses, together with interest at a rate equal to 12% per annum from the date of payment, shall constitute an additional Obligation of the Borrower and shall be immediately due and payable by the Borrower to the State and the Administration. Nothing contained in this Section 3.02(m) or in the Financing Documents shall be construed as a limit on the Obligations. This Section 3.02(m) shall survive termination of this Agreement and repayment of the Loan and Note in full. The Administration expressly reserves the right of any immunity the Administration

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or its agents, designees and employees may possess under State or federal law.

(n) Contractor's Non-Discrimination. The Borrower shall not discriminate against any employee, applicant for employment or in hiring of contractors to carry out any portion of the Project on the basis of race, color, sex, religion, national or ethnic origin or any other characteristics forbidden as a basis for discrimination under applicable Law. The Borrower shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the Project. The Borrower certifies that its corporate or entity governing documentation (i.e., its articles of incorporation or by-laws, limited partnership agreement or certificate of limited partnership, articles of organization or operating agreement, charter, or constitution) are consistent with the Governor's Code of Fair Practices and all State Laws.

(o) Expenses. All Expenses incurred by the Administration shall be charged to Borrower's account and shall accrue interest at a rate equal to 12% per annum and shall be part of the Obligations.

(p) Compliance with Laws. The Borrower shall fully and faithfully comply with all applicable Laws.

(q) Landlord's Waiver. The Borrower shall provide to the Administration a landlord's waiver and such other written evidence as may be required by the Administration and its legal counsel to evidence that any Landlord has waived and relinquished all rights which such Landlord now has or hereafter acquires in and to the Collateral including, without limitation, all rights of levy or distraint for rent with respect to the Collateral, which rights are thereby made subordinate and inferior to any now existing or hereafter arising lien or security interest of the Administration in the Collateral (the "Landlord's Waiver").

(r) Maintenance of Equipment. The Equipment shall be maintained in operating condition and in good repair and all necessary replacements of and repairs thereto shall be made so that the value and operating energy efficiency of the Equipment shall be maintained and preserved as required and set forth under the Security Agreement.

(s) Perfection of Security Interest. The Borrower will, from time to time, do whatever the Administration may reasonably request by way of obtaining, executing, delivering and/or filing financing statements, and other notices and amendments and renewals thereof, and the Borrower will take any and all steps and observe such formalities as the Administration may reasonably request, in order to create, perfect, protect and maintain a valid and, subject to any permitted liens, first lien upon any and all Collateral as required and set forth under the Security Agreement. All Expenses incurred by the Administration in doing any of the foregoing, and any local taxes relating thereto, shall become part of the Obligations and shall be repaid by the Borrower on demand, together with interest at a rate equal to 12% per annum from the date of incurrence.

(t) Exculpation of Liability. Nothing herein contained shall be construed to constitute the Administration as Borrower's agent for any purpose whatsoever, nor shall the Administration be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. The Administration does not, by anything herein or in any of the Financing Documents or otherwise,

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assume any of the Borrower's obligations under any contract or agreement, and the Administration shall not be responsible in any way for the performance by the Borrower of any of the terms and conditions thereof.

ARTICLE IV
DEFAULT AND REMEDIES

Section 4.01. Defaults.

All of the Obligations shall, at the Administration's option and notwithstanding any time allowed by any instrument evidencing an Obligation, be immediately due and payable without notice or demand upon the occurrence of one (1) or more of the following events (each a "Default"):

(a) The Borrower fails to pay the principal amount of the Loan and any applicable interest thereon according to the terms of the Note or a failure by the Borrower to pay the Obligations and any applicable interest thereon when due, whether at maturity or by reason of acceleration or demand pursuant to the terms of the Note or this Agreement or the Financing Documents, as it may apply, which failure shall continue for more than ten (10) days from the date such payment was due and payable;

(b) The Borrower ceases to use the Project for the purposes listed on Exhibit A to this Agreement, or represented and as contemplated under this Agreement, or in the Application and the Commitment Letter, for more than thirty (30) days after written notice of such failure shall have been provided by the Administration to the Borrower;

(c) If, for any cause whatsoever, except for strikes, acts of God, or other causes beyond the reasonable control of the Borrower, the construction of the Project is at any time discontinued for a period of thirty (30) days, or if the Project, as determined by the Administration, has not been completed or is not progressing in accordance with the Application and the certified energy savings contained in the Application;

(d) Any Loan proceeds are used for any purpose other than Eligible Project Costs;

(e) The Borrower breaches any term, condition, covenant, representation, warranty, or other provision of this Agreement or any of the other Financing Documents, subject to any applicable cure periods;

(f) Any representation or warranty made or deemed made by the Borrower in this Agreement or in any of the Financing Documents or in any certificate, report, or opinion (including legal opinions), financial or other statement, or other document furnished at any time in connection with the Loan or herewith or therewith shall prove to have been misleading in any material respect or was incorrect in any material respect when made;

(g) The Borrower breaches any covenant, agreement or promise or other provision of this Agreement or under the Financing Documents, which breach is not cured within thirty (30)

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days from the date the Borrower receives written notice of the breach from the Administration; provided, however that the Borrower shall not receive a thirty (30) day cure period under this subsection for any breach for which there is a specific Default set forth in this section;

(h) Any portion of, or interest in, the Project is sold, leased, subleased, transferred, encumbered, or otherwise conveyed, or a Lien is granted or placed against the Project or the Equipment, without the prior written consent of the Administration;

(i) The Borrower fails to comply with any requirement of any Governmental Authority or Law within 30 days after written notice of the requirement is given or within any other time period set by the Governmental Authority or under applicable Law; or if any proceeding is commenced or action taken to enforce any remedy for a violation of any requirement of a Governmental Authority or Law or any restrictive covenant affecting any part of the Project is not stayed or lifted within 30 days;

(j) A default or incipient event of default occurs under the terms of any other agreement to which the Borrower is a party including, without limitation, any bond, debenture, note, or other evidence of Indebtedness of the Borrower which default causes a Material Adverse Change and remains uncured beyond any applicable grace or cure period;

(k) Any court of competent jurisdiction makes a final order (i) adjudicating the Borrower bankrupt, (ii) appointing a trustee or receiver of a substantial part of the property of the Borrower, (iii) approving a petition for, or affecting an arrangement in, bankruptcy, a reorganization pursuant to federal bankruptcy law, or any other judicial modification or alteration of the rights of the Administration or of other creditors of the Borrower, (iv) assuming custody or sequestering any substantial part of the property of the Borrower, or (v) attaching or garnishing any substantial part of the property of the Borrower; or if the Borrower (A) files such petition, or (B) takes or consents to any other actions seeking any such judicial order, or (C) makes an assignment for the benefit of creditors, or (D) fails to pay debts generally as they become due, or (E) makes an admission in writing of its inability to pay debts generally as they become due;

(l) A judgment is issued or judgment liens filed against the Borrower that results in a Material Adverse Change which within thirty (30) days of such issuance or filing is not either satisfied, stayed or discharged of record or a permanent or preliminary injunction is issued that lasts for more than 90 days, that prohibits the Borrower from using the Project as set forth in the Application and the Commitment Letter for more than ten (10) days after written notice of such prohibition or injunction shall have been provided from the Administration to the Borrower;

(m) Without the prior written consent of the Administration, the Borrower is dissolved by operation of law or in any other manner;

(n) The Administration makes a good faith determination that a Material Adverse Change has occurred;

(o) The Administration makes a good faith determination that the prospect of payment of any of the Obligations is impaired for any reason;

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(p) A default or event of default or incipient event of default occurs under the terms of any of the Financing Documents or for any reason any security interest or Lien created under the Security Agreement or other Financing Documents or provided for hereby or under any related agreement ceases to be or is not a valid and perfected Lien having the first priority (subject to any permitted liens) which such situation shall not be cured within ten (10) days of written notice; or

(q) The termination or breach of any guaranty or other guaranty agreement executed and delivered to the Administration in connection with the Obligations of the Borrower, or if any guarantor attempts to terminate, challenges the validity of, or its liability under, any such guaranty or other such guaranty agreement shall have occurred; or

(r) Any material provision of this Agreement shall, for any reason, cease to be valid and binding on Borrower, or the Borrower shall so state in writing to the Administration.

Section 4.02. Rights and Remedies after Default.

(a) Upon the occurrence of a Default pursuant to Section 4.01(k) all Obligations shall be immediately due and payable. Upon the occurrence of any of the other Defaults and at any time thereafter (such Default not having been cured), at the Administration's option upon notice to Borrower, all Obligations shall immediately be due and payable. In either event, the Administration shall have the right to exercise any and all other rights and remedies provided for herein, under the Uniform Commercial Code and at law or equity generally, including, without limitation, the right to foreclose the security interest granted under the Security Agreement by any available judicial procedure and/or to take possession of and sell any and all of the Collateral with or without judicial process, in addition to the following:

i. Require the immediate repayment of the entire outstanding principal amount of the Loan, together with all accrued interest, under the Note, plus any and all Obligations, without presentment, demand, protest, or notice, all of which the Borrower expressly waives;

ii. At any time proceed to protect and enforce all rights and remedies available to the Administration under this Agreement or by Law, by any other proceedings, whether for specific performance of any agreement contained in this Agreement, plus damages, or other relief;

iii. Suspend or terminate the Borrower's authority to receive any undisbursed Loan proceeds at any time by notice to the Borrower; and

iv. Apply as a prepayment of the outstanding principal and interest of the Loan, any undisbursed proceeds of the Loan in the possession of Administration.

(b) The Administration may also exercise any and all rights and remedies available under the other Financing Documents or under applicable Law. The Administration shall have the right, in its sole discretion, to determine which rights, security, liens, security interests or remedies the Administration may at any time pursue, relinquish, subordinate, modify or take any other action with respect thereto and such determination will not in any way modify or affect any of them or any of the Administration's rights hereunder. The exercise of any right or remedy by the

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Administration shall not constitute a cure or waiver of any Default by the Borrower, nor invalidate any act done pursuant to any notice of Default, nor prejudice the Administration in the exercise of those rights. The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any right or remedy shall not preclude the exercise of any other right or available remedies. All remedies provided for in this Agreement or under the other Financing Documents are cumulative not alternative and are in addition to any other rights and remedies available to the Administration under any Law.

(c) The failure of the Administration to insist upon performance of any term of this Agreement shall not constitute a waiver of any term of this Agreement. No act by the Administration shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

(d) If the Administration suspends or terminates this Agreement, the rights and remedies available to the Administration shall survive the suspension or termination.

Section 4.03. Setoff.

The Administration may set off against and apply any funds of the Borrower on deposit with, or under the control of, the State to the payment of the Obligations, without notice and without resort to any judicial proceeding.

ARTICLE V
MISCELLANEOUS

Section 5.01. Waiver of Notice. The Borrower hereby waives notice of non-payment of the Loan, demand, presentment, protest and notice thereof with respect to any of the instruments, notice of acceptance thereof, notice of disbursements or advances made, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

Section 5.02. Notices.

(a) All communications between the parties made pursuant to this Agreement shall be in writing.

(b) Any communication shall (a) when mailed, be effective three business days after it is deposited in the mails, (b) when mailed for next day delivery by a reputable overnight courier service, be effective one business day after mailing, and (c) when sent by fax, be effective when it is faxed and receipt of the communication is confirmed. Communications shall be delivered to the office of the addressee, as follows:

(i) Communications to the Administration shall be mailed to:

Maryland Energy Administration
1800 Washington Boulevard, Suite 755

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Baltimore, MD 21230
Attention: Lawton Loan Program Manager
FAX Number: (410) 537-4096

(ii) Communications to the Borrower shall be mailed to:

_____
_____
_____
_____
_____

(c) The Borrower and the Administration may change their notice addresses by sending written notice to the other party.

Section 5.03. Assignment or Transfer.

No benefit or burden imposed on the Borrower under this Agreement may be assigned or transferred without the prior written consent of the Administration. The Administration may sell, assign or transfer all of its rights under this Agreement or the Financing Documents including the Note to any other State agency or Governmental Authority provide Borrower is given notice as soon as practicable.

Section 5.04. Successors.

This Agreement shall inure to the benefit of, and shall be binding upon, each of the parties and their successors and permitted assigns, subject to Section 5.03.

Section 5.05. Severability.

The invalidity of any part of this Agreement shall not affect the validity of the remaining provisions of this Agreement.

Section 5.06. Entire Agreement.

This Agreement and the Financing Documents constitute the entire agreement between the Borrower and the Administration and supersedes all prior oral and written agreements, representations, and negotiations between the parties concerning the Loan and the Obligations.

Section 5.07. Amendment of Agreement.

This Agreement or any of the other Financing Documents may be amended with the approval of the Administration only in writing executed by both the Administration and the Borrower.

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Section 5.08. Headings.

The headings used in this Agreement are for convenience only and do not constitute a part of this Agreement.

Section 5.09. Disclaimer of Relationships.

The Borrower acknowledges that the obligation of the Administration is limited to making the Loan on the terms set forth in this Agreement. Nothing in this Agreement, and no act of the Administration or the Borrower, shall be deemed to create any relationship of a third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any other relationship between the Borrower and the Administration. In addition, by inspecting any part of the Project or by accepting or approving any action of the Borrower under any of the Financing Documents, the Administration shall not be considered to warrant the condition, legality, or sufficiency of any part of the Project or any action taken or not taken by the Borrower.

Section 5.10. Governing Law.

This Agreement and all of the other Financing Documents shall be governed by the laws of the State of Maryland. Any judicial proceeding by the Borrower against the Administration involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this or any related agreement, shall be brought only in a state or federal court located in Anne Arundel County, Maryland.

Section 5.11. Term of Agreement.

Except as otherwise provided in this Agreement, unless sooner terminated by the mutual consent of the Borrower and the Administration, this Agreement shall remain in full force and effect until the Loan and the Obligations, together with interest and all other sums due and owing in connection with this Agreement, the Obligations or the Loan, have been paid in full to the satisfaction of the Administration.

Section 5.12. Illegality.

If performance of any obligation under any of the Financing Documents would require the performing party to violate the Law, then the performance shall be reduced to the level permitted by Law, and if (1) any provision of this Agreement, other than provisions requiring the Borrower to pay interest, principal, principal and interest, or any other of the Obligations, operates, or would operate, to invalidate any part of this Agreement, then such provision only shall be void as though not set forth in this Agreement, and the remainder of this Agreement shall remain in full force and effect, (2) any provision of this Agreement requires the Borrower to pay interest, principal, principal and interest, or any other of the Obligations is held to be invalid, then at the option of the Administration, the entire unpaid sum under the Loan, with all unpaid interest accrued thereon, and all other unpaid Obligations shall become due and payable.

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Section 5.13. CONFESSION OF JUDGMENT.

UPON A DEFAULT, THE BORROWER AUTHORIZES THE CLERK OR ANY ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR IT AND ENTER JUDGMENT BY CONFESSION WITHOUT PRIOR NOTICE OR OPPORTUNITY FOR PRIOR HEARING FOR THE OBLIGATIONS THEN OUTSTANDING, TOGETHER WITH INTEREST, COURT COSTS AND ATTORNEYS' FEES EQUAL TO THE GREATER OF, AS PERMITTED BY LAW, (A) 15% OF THE SUM OF THE OBLIGATIONS THEN OUTSTANDING PLUS INTEREST THEN DUE HEREUNDER, OR (B) THE ADMINISTRATION'S ACTUAL ATTORNEYS' FEES. THE BORROWER WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY LAW, ALL ERRORS AND ALL RIGHTS OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION, AND EXTENSION UPON ANY LEVY ON REAL ESTATE OR PERSONAL PROPERTY TO WHICH THE BORROWER MAY OTHERWISE BE ENTITLED UNDER ANY LAW. THE AUTHORITY TO APPEAR FOR AND ENTER JUDGMENT AGAINST THE BORROWER MAY BE EXERCISED ON ONE OR MORE OCCASIONS, AND SHALL NOT BE EXTINGUISHED BY ANY JUDGMENT ENTERED PURSUANT THERETO. THIS AUTHORITY MAY BE EXERCISED IN THE SAME OR DIFFERENT JURISDICTIONS, AS OFTEN AS THE ADMINISTRATION DETERMINES TO BE NECESSARY OR DESIRABLE.

Section 5.14. Expenses.

The Borrower shall pay all Expenses in connection with the recordation, execution and delivery and any subsequent modification of any of the Financing Documents.

Section 5.15. Time of Essence.

Time is and remains of the essence in this Agreement.

Section 5.16. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one document.

Section 5.17. Application of Payments.

The Administration shall have the continuing and exclusive right to apply or reverse and re-apply any and all proceeds of collateral to any portion of the Obligations. To the extent that Borrower makes a payment or the Administration receives any payment or proceeds of the collateral for the Borrower's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by the Administration.

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Section 5.18. No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended to create or confer upon any Person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies under or by reason of this Agreement or to constitute such Person a third party beneficiary of this Agreement.

Section 5.19. Right to Cure.

If Borrower fails to perform in a timely fashion any of Borrower's Obligations contained in this Agreement or any of the other Financing Documents, the Administration may (but shall not be required to) perform any of such covenants, agreements and obligations. The Administration may, at its option, advance the Expenses incurred in taking such action and the Borrower shall reimburse the Administration for any sums advanced with interest at a rate equal to 12% per annum. Any such Expenses, together with interest, shall be part of the Obligations.

IN WITNESS WHEREOF, the Borrower and the Administration have caused this Agreement to be executed and delivered under seal as of the date first above written.

WITNESS: **MARYLAND ENERGY ADMINISTRATION**

_____ By: _____ (SEAL)
Name: _____ Name:
Title: Director

WITNESS: **[BORROWER]**

_____ By: _____ (SEAL)
Name: _____ Name:
Title:

STATE OF MARYLAND, _____ OF _____, TO WIT:

I HEREBY CERTIFY that on this ___ day of _____, ____, before me, a Notary Public in the State of Maryland, personally appeared _____, who acknowledged himself/herself to be the _____ of **[Borrower]**, known or satisfactorily proven to me to be the person whose name is subscribed to this document, and acknowledged that she/he executed it on behalf of the Borrower, as its duly authorized signatory.

AS WITNESS my hand and Notarial Seal.

_____

FOR INFORMATIONAL PURPOSES ONLY

Notary Public

My Commission expires: _____

FOR INFORMATIONAL PURPOSES ONLY

EXHIBIT A

DESCRIPTION OF THE PROJECT AND ELIGIBLE PROJECT COSTS

[Borrower] has proposed the following project that is approved for funding under this loan agreement.

- _____

Eligible Project Costs are limited to the purchase, installation, and commissioning of energy-efficiency and conservation projects described in this Exhibit and in the Application.

[Borrower] will contribute cash worth $_____ to the completion of this project.

FOR INFORMATIONAL PURPOSES ONLY

EXHIBIT B

REQUEST FOR DISBURSEMENT

1. Project Name: _____

2. Borrower: _____

3. Request Number (Number Consecutively): _____

4. Description of Activities and Costs

Activity	Actual Cost (& Contract # if applicable)	Amount Requested from Administration in this Request	Cumulative Amount Requested from Administration to date
Total:			

FOR INFORMATIONAL PURPOSES ONLY

Instructions:

1) Cost figures must be supported by adequate documentation (invoices, bills, vouchers, etc.).
2) The Administration will not honor requests for disbursement which exceed the lesser of the amount the Administration is to pay for a particular activity in the project budget previously accepted by the Administration or the actual cost of the work performed.

3) In addition to the completed Description of Activities and Costs, the Borrower must write a letter (with all invoices as attachments) to the Administration *with each request* containing the following information:
   - Loan number (i.e., JELLP #...)
   - Amount of disbursement requested
   - Name of the responsible project manager and primary contact
   - Any update to the mailing address
   - Federal Tax Identification Number for the borrower

- Brief narrative description of the work completed with the funding being requested for disbursement
- Itemization of each individual invoice, including the business name of the contractor or vendor, number of pages, payment due, and amount of disbursement request being used toward the payment

FOR INFORMATIONAL PURPOSES ONLY

EXHIBIT C

INSURANCE REQUIREMENTS

1. Comprehensive general liability self-insurance for both Borrower and Contractor(s) in the form and for amounts acceptable to Administration; Borrower's policy to name Administration as an additional insured.

2. Fire and hazard insurance in the form and for the amounts acceptable to Administration, naming Administration as an additional insured and loss payee.

3. Worker's compensation insurance, broad form, all states coverage, covering all persons engaged in work on the Project, and upon completion of the Project, covering employees of the Borrower.

4. Builder's risk insurance in the form and for the amounts acceptable to the Administration, naming the Administration as an additional insured and loss payee.

5. Title insurance in the form and for the amounts acceptable to Administration, naming Administration as an additional insured and loss payee.

Sponsor shall provide the Administration with thirty (30) days written notice prior to cancellation or non-renewal of the insurance.

FOR INFORMATIONAL PURPOSES ONLY

EXHIBIT D

DRAW SCHEDULE FOR PROJECT

(to be completed by Borrower and approved by Administration prior to Closing)

_____ , 20__	XX% Completion	$_____.__
_____ , 20__	XX% Completion	$_____.__
		$_____.__

EXHIBIT E

AMORTIZATION SCHEDULE

FOR INFORMATIONAL PURPOSES ONLY