JANE E. LAWTON CONSERVATION LOAN PROGRAM
ADMINISTRERED BY THE MARYLAND CLEAN ENERGY CENTER

IMPORTANT NOTICE

This document is a sample provided solely for informational purposes. It does not constitute a binding legal agreement, finalized contract, or an offer to lend.

While this sample has been prepared in general accordance with prevailing law and regulations as of its drafting date, financial laws, disclosure requirements, and lending regulations are subject to frequent change. The terms, conditions, and provisions contained herein are subject to:

- **Modification, deletion, or supplementation to ensure compliance with applicable local, state, and federal laws at the time of execution.**
- **Revisions resulting from ongoing discussions and final agreements negotiated between the Maryland Clean Energy Center and the Borrower.**

The use of this document does not create an attorney-client relationship. As the legal and financial consequences of executing a loan agreement, note, security agreement, guaranty agreement and/or related financing documents are significant, potential Borrowers and Guarantors are strongly advised to consult with qualified legal counsel and financial advisors to review, modify, and finalize the financing documents before signing.

Portions of the agreement include text in [ ], these signify sections where text specific to each agreement should be included, or text that may be removed depending on the circumstances under which the Lawton Loan is made.

JANE E. LAWTON CONSERVATION LOAN PROGRAM

PROMISSORY NOTE

Loan Amount _________ **_____________, 202***
College Park, Maryland

FOR VALUE RECEIVED, [**Borrower**] ("Borrower"), promises to pay to the order of the **MARYLAND CLEAN ENERGY CENTER**, a body politic and corporate and an instrumentality of the State of Maryland ("Center"), the principal sum of [Loan Amount] ("Loan"), or so much as has been disbursed to the Borrower under the terms of a certain Loan Agreement of even date between the Borrower and the Center ("Loan Agreement"), together with interest at the rate specified below, and all other sums that may be payable to the Center by the Borrower pursuant to this Promissory Note ("Note"). All capitalized terms used in this Note, if not defined in this Note, have the meanings given in the Loan Agreement. This Note is secured by the liens granted by the Security Agreement, is entitled to the benefits of the Financing Documents, and is subject to all of the agreements, terms, and conditions therein contained.

The following terms shall apply to this Note.

1. Interest.

(a) Interest Rate. Prior to an Event of Default, as defined in Section 8 below, the unpaid principal balance outstanding pursuant to this Note shall bear interest at the rate of **[insert loan amount] ____%**) per annum.

(b) Default Rate. Upon the occurrence of an Event of Default, the unpaid principal balance outstanding pursuant to this Note shall bear interest at the rate of **five percent (5%)** per annum.

2. Calculation of Interest. All interest payable under the terms of this Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed.

3. Repayment.

(a) Beginning on the first day of the first August (August 1) that occurs at least thirteen (13) months after initial disbursement of Loan proceeds under the Loan Agreement ("Initial Payment Date"), and continuing on the first day of August of each succeeding ________________ [( )] years up to and including the day that is _________[( )] years after the Initial Payment Date ("Maturity Date"), the Borrower shall repay the principal amount of the Loan, together with any accrued interest thereon, utilizing electronic funds transfer procedures as specified by the Center. Payments shall be in equal, consecutive installments, each consisting of a payment of principal and a payment of accrued interest in the amounts set forth in an amortization schedule to be provided to the Borrower by the Center, attached as Exhibit E to the Loan Agreement; and

(b) The Borrower shall pay any remaining principal balance, accrued and unpaid interest and any other amounts outstanding under the Financing Documents on the Maturity Date, on which date this Note shall mature, and on which date the entire unpaid principal balance and accrued and unpaid interest thereon shall be due and payable in full.

4. Late Payment Charge. If any payment due pursuant to this Note is not received by the Center within thirty (30) calendar days after its due date, the Center may require the Borrower to pay a late payment charge equal to **five percent** (**5%**) of the amount then due.

5. Application of Payments.

(a) Scheduled Payments. All scheduled payments made pursuant to this Note shall be applied first to accrued interest, then to principal, and then to late payments, charges or other sums owed to the Center, or in any other manner that the Center, in its sole discretion, may determine.

(b) Prepayments. The Center may apply any prepayment, whether voluntary or involuntary, first to late charges and fees, then to accrued interest and default interest, and then to principal in the inverse order of scheduled maturities, or in any other manner that the Center, in its sole discretion, may determine.

6. Prepayment. The Borrower may prepay all or part of this Note at any time without premium or penalty.

7. Place of Payment. All payments due under this Note, and all prepayments, shall be made via electronic funds transfer procedures or check as directed in writing by the Center.

8. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Note:

(a) The failure by the Borrower to pay the principal amount of the Loan and any applicable interest thereon according to the terms of this Note and failure to cure such event within 30 days of written notice to Borrower;

(b) The occurrence of a default under the Loan Agreement, the Security Agreement, or any other Financing Document, which default remains uncured beyond any applicable grace or cure period.

9. Acceleration. Upon the occurrence of an Event of Default pursuant to Section 4.01 of the Loan Agreement, the entire unpaid principal balance of this Note plus accrued interest and all other sums due under this Note shall be immediately due and payable. Upon the occurrence of any of the other Events of Default, the Center, in its sole discretion and without further notice or demand, may declare the entire unpaid principal balance of this Note plus accrued interest and all other sums due under this Note to be immediately due and payable and may exercise any rights and remedies available

under any of the Financing Documents. The Center shall have the right, in its sole discretion, to determine which rights or remedies the Center 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 Center's 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 remedies, all of which shall be cumulative and not alternative.

10. **CONFESSION OF JUDGMENT. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT AS PROVIDED IN THIS NOTE, THE BORROWER AUTHORIZES ANY ATTORNEY ADMITTED TO PRACTICE BEFORE ANY COURT OF RECORD IN THE UNITED STATES ON BEHALF OF THE CENTER TO CONFESS JUDGMENT AGAINST THE BORROWER FOR THE FULL AMOUNT DUE ON THIS NOTE (INCLUDING THE OUTSTANDING PRINCIPAL AMOUNT, ACCRUED INTEREST AND ANY AND ALL OTHER COSTS, FEES, EXPENSES AND LATE CHARGES) PLUS COURT COSTS AND THE CENTER'S REASONABLE ATTORNEYS/COLLECTION FEES. THE BORROWER AGREES THAT VENUE SHALL BE PROPER IN ANY COUNTY (INCLUDING BALTIMORE CITY) OF THE STATE OF MARYLAND. THE BORROWER WAIVES THE BENEFIT OF ANY AND EVERY STATUTE, ORDINANCE, OR RULE OF COURT WHICH MAY BE LAWFULLY WAIVED CONFERRING UPON THE BORROWER ANY RIGHT OR PRIVILEGE OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION, OR DISCOVERY IN AID OF ENFORCEMENT, OR OTHER RELIEF FROM THE ENFORCEMENT OR IMMEDIATE ENFORCEMENT OF A JUDGMENT OR RELATED PROCEEDINGS ON A JUDGMENT.**

11. Consent to Jurisdiction. The Borrower irrevocably submits to the jurisdiction of any state or federal court sitting in the State of Maryland over any proceeding arising out of, or relating to, this Note. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection that the Borrower may now or hereafter have to the setting of venue of any proceeding brought in any such court and any claim that any proceeding brought in any such court was brought in an inconvenient forum.

12. Service of Process. The Borrower hereby consents to process being served in any proceeding instituted in connection with this Note by any manner permitted by Maryland law.

13. Notices. Any notice or other communication to the Borrower or the Center shall be deemed properly given when delivered in accordance with Section 5.02 of the Loan Agreement.

14. Expenses of Collection. If, after a default, this Note is referred to the Central Collection Unit of the Maryland Department of Budget and Management pursuant to the State Finance and Procurement Article of the Maryland Code, the Borrower shall pay all applicable costs and fees and shall reimburse the Center for all administrative expenses and any other costs and fees incurred.

15. Subsequent Holder. The Center may pledge, transfer, or assign this Note and its rights under the Financing Documents. Any pledge, transfer, or assignment of rights shall also

apply to any renewals, extensions or modifications. A transferee, pledgee, or assignee shall have the same rights as the Center hereunder with respect to this Note.

16. Waiver of Protest. The Borrower, and all others who may become liable as makers, endorsers, guarantors or accommodation parties for all or any part of this Note, waive valuation and appraisement, presentment, demand, protest, notice of dishonor and protest.

17. Choice of Law; Modifications; Cumulative Rights; Extensions of Maturity.

(a) The Borrower acknowledges that the Center is a body politic and corporate and instrumentality of the State of Maryland, that final credit decisions with respect to the making of the Loan are made in Maryland and that those credit decisions assume that the substantive laws of Maryland apply. Therefore, the Borrower agrees that this Note shall be governed by the laws of the State of Maryland.

(b) No modification or amendment of this Note shall be effective unless in writing signed by the Center and the Borrower, and any modification or amendment shall apply only with respect to the specific instance involved.

(c) No waiver of any provision of this Note shall be effective unless in writing signed by the Center. Any waiver shall apply only with respect to the specific instance involved. The Center may, without notice to or further consent of the Borrower and without in any manner releasing, lessening or affecting the Obligations of the Borrower: (a) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend or grant indulgences with respect to: (i) this Note, (ii) the Loan and (iii) the Financing Documents; (b) complete any blank in this Note; and (c) grant any extension or other postponements of the time of payment hereof.

(d) By accepting partial payment of any amount due and payable under this Note, the Center does not waive the right either to require prompt payment when due of all other amounts due and payable under this Note or to exercise any rights and remedies available to it in order to collect all other amounts due and payable under this Note. Acceptance by the Center of any payment after its due date does not constitute a waiver of the Center's right to receive timely payment of all other amounts or to declare an Event of Default for the failure to make any other payment when due.

(e) Each right, power, and remedy of the Center under this Note or under law shall be cumulative and concurrent, and the exercise of any one of them shall not preclude the simultaneous or later exercise by the Center of any other.

(f) No failure or delay by the Center to insist upon the strict performance of any provision of this Note or to exercise any right, power, or remedy consequent upon a breach thereof shall constitute a waiver thereof, or preclude the Center from exercising any such right, power, or remedy.

18. Illegality. If any provision of this Note is found to be invalid, illegal, or

unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision of this Note, but this Note shall be construed as if the invalid, illegal, or unenforceable provision had never been part of this Note, but only to the extent it is invalid, illegal, or unenforceable.

19. General Obligation. The indebtedness evidenced by this Note is an unconditional general obligation of the Borrower, to the repayment of which its full faith and credit are pledged, and the indebtedness can be collected in any lawful manner including offset against the funds otherwise payable by the State of Maryland to the Borrower, including income tax distributions. The Borrower warrants that all of the proceeds of the Loan evidenced by this Note shall be used for a business or commercial enterprise as contemplated under the Loan Agreement.

IN WITNESS WHEREOF, the undersigned, with full power and authority to do so and intending to be legally bound hereby, executes and delivers this Note under seal on behalf of and as the Borrower on the date first written above.

WITNESS: **[Borrower]**

____
Name: ______________________________

By: ____________________________(Seal)
Name: [Signatory Authority]
Title: [Title]

STATE OF MARYLAND, ___________________OF____________________, TO WIT:

I HEREBY CERTIFY that on this ___day of _____________, 202*, before me, a Notary Public in the State of Maryland, personally appeared [Signatory Authority], who acknowledged her/himself to be the [Title] of [Borrower], known or satisfactorily proven to me to be the person whose name is subscribed to this document, and acknowledged that he executed it on behalf of [Borrower], as its duly authorized signatory.

AS WITNESS my hand and Notarial Seal.

____
Notary Public

My Commission expires: _____________