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

PERSONAL GUARANTY AGREEMENT

THIS PERSONAL GUARANTY AGREEMENT ("Agreement") is made this ____day of ____________________, 202*, to the **MARYLAND CLEAN ENERGY CENTER**, a body politic and corporate and instrumentality of the State of Maryland ("Center"), by ________________________("Guarantor").

RECITALS

1. The Center has made a loan to [Borrower] ("Borrower"), in the original principal amount of [Loan Amount] (the "Loan").

2. The Loan is evidenced by a promissory note in the principal amount of [Loan Note Amount], dated the same date as this Agreement, made by Borrower and payable to the Center (as it may be amended, the "Note"), and is subject to the terms of a Loan Agreement between the Borrower and the Center dated the same date as this Agreement (as it may be amended, the "Loan Agreement").

3. The Guarantor controls the Borrower and will financially benefit from the Loan.

4. As a material condition for the Center to make the Loan, the Center has required that the Guarantor guarantees payment of the Loan as provided in this Agreement.

NOW, THEREFORE, in order to induce the Center to make the Loan to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees as follows:

1. <u>Guaranty</u>.

(a) The Guarantor hereby absolutely, irrevocably and unconditionally guarantees to the Center the following obligations (collectively, the "Guarantor's Obligations"):

(i) The full and punctual payment when due (whether at stated maturity, upon acceleration, or otherwise) of all present and future indebtedness and obligations of the Borrower to the Center, whether direct or indirect, absolute or contingent, joint or several, including all obligations arising out of the Loan Agreement and the other Financing Documents (as defined below) and the "Obligations" as defined in the Loan Agreement; and

(ii) The due and punctual performance of all of the other terms of the Loan Agreement and the other Financing Documents.

(b) The term "Financing Documents" has the meaning provided in the Loan Agreement.

2. Absolute Guaranty. The guaranty of the Guarantor under this Agreement is a guaranty of payment and not of collection and shall remain in effect until all of the Guarantor's Obligations are indefeasibly paid in full. The Guarantor's Obligations are the primary, direct, and immediate obligations of the Guarantor and shall not be affected by, subject to, or conditioned upon, and may be enforced against the Guarantor irrespective of the occurrence of, any of the following:

(a) Any pursuit, enforcement, or exhaustion of any rights or remedies the Center may have to collect the Guarantor's Obligations from the Borrower or from any other maker, endorser, surety or guarantor of, or pledgor of collateral for, any part of the Guarantor's Obligations (each other maker, endorser, surety, guarantor or pledgor being an "Obligor" and collectively "Obligors"), or any recourse to or against any collateral or security for any part of the Guarantor's Obligations;

(b) The invalidity, lack of priority, or unenforceability in whole or in part of any the Financing Documents;

(c) Any counterclaim, recoupment, setoff, reduction, or defense based on any claim that the Guarantor may have against the Center, the Borrower, or any Obligor;

(d) The voluntary or involuntary liquidation, dissolution, termination, merger, sale, or other disposition of the Borrower or any of the Borrower's assets;

(e) Any bankruptcy, reorganization, insolvency, or similar proceedings for the relief of debtors under any federal or state law by or against the Borrower or any Obligor, or any discharge, limitation, modification, or release of liability of the Borrower or any Obligor arising out of any such proceedings;

(f) Any event or matter to which the Guarantor has consented under the terms of this Agreement; and

(g) Any other circumstance that might otherwise constitute a legal or equitable discharge, release, or defense of any Obligor (other than the Guarantor).

3. Consents. Without notice to, or further consent of, the Guarantor, the Guarantor hereby consents that the Center may at any time:

(a) Renew, extend, accelerate, subordinate, or change any of the terms of the Guarantor's Obligations;

(b) Waive, release, amend, or otherwise deal with any of the provisions of the Financing Documents in any manner satisfactory to the Center;

(c) Release the Borrower or any of the Obligors;

(d) Waive or delay the exercise of any of its rights and remedies against the Borrower or any of the Obligors or any collateral or security for any part of the Guarantor's Obligations;

(e) Release, substitute, subordinate, add, or fail to maintain, preserve, or perfect any of its liens on, security interests in, or rights to, or otherwise deal in any manner satisfactory to the Center with any collateral or security for any part of the Guarantor's Obligations;

(f) Apply any payments of the Guarantor's Obligations received from the Borrower, the Guarantor, any Obligor, or any other source to the Guarantor's Obligations in any order and manner determined by the Center, in its sole and absolute discretion; or

(g) Take or fail to take any other action that may to any extent vary the risk of the Guarantor or otherwise operate as a legal or equitable discharge, release, or defense of the Guarantor under applicable laws.

4. Waivers. The Guarantor hereby waives:

(a) Notice of the execution and delivery of any of the Financing Documents;

(b) Notice of the creation of the Guarantor's Obligations;

(c) Notice of the Center's acceptance of and reliance on this Agreement;

(d) Presentment and demand for payment of, and notice of non-payment and protest of non-payment of, the Guarantor's Obligations;

(e) Any notice from the Center of the financial condition of the Borrower, regardless of the Center's knowledge thereof;

(f) Demand for observance, performance, or enforcement of, or notice of default under, any of the provisions of the Financing Documents, and all other demands and notices otherwise required by law that the Guarantor may lawfully waive, except for any notice expressly provided for in this Agreement;

(g) Any right or claim to cause a marshaling of the assets of the Borrower or any Obligor;

(h) Any rights of the Guarantor to subrogation, recourse, reimbursement, or indemnity against the Borrower, any Obligor, or any collateral for the Guarantor's Obligations and any other rights that may accrue on account of any payments made by the Guarantor to the Center under this Agreement;

(i) Any defense to the Guarantor's Obligations based on any failure by the Center to preserve, adequately maintain, or perfect its interest in any collateral for the

Guarantor's Obligations provided by the Borrower, or on any act or failure to act by the Center that constitutes a release of or impairs or affects the value of any collateral; and

(j) Any defense based on the adequacy of the consideration for this Agreement.

5. Representations and Warranties. The Guarantor hereby represents and warrants to the Center that:

(a) The Guarantor has had an opportunity to examine the Financing Documents existing on the date hereof;

(b) The Guarantor owns all [Class A corporate stock of the Borrower] and possesses all voting powers for all purposes of the Borrower, and the Loan to the Borrower by the Center will financially benefit the Guarantor;

(c) The financial statements of the Guarantor previously furnished to the Center in connection with the application for the Loan fairly present the financial position of the Guarantor as of their date, and no materially adverse change has occurred in the financial position of the Guarantor since that date;

(d) The Guarantor has paid all taxes and assessments required to be paid by the Guarantor, and has filed all tax returns required to be filed by the Guarantor;

(e) There is no statute, agreement, judgment, or court order applicable or binding on the Guarantor that would prohibit, conflict with, or prevent the execution, delivery, and performance of this Agreement by the Guarantor; and

(f) This Agreement constitutes the valid and binding obligations of the Guarantor, enforceable in accordance with its terms.

(g) All information contained in any financial statement, report, or other document given by the Guarantor or the Borrower in connection with the Loan is true and accurate in all respects, and the Guarantor and the Borrower have not omitted to state any material fact or any fact necessary to make the information not misleading.

(h) There is no Default on the part of the Guarantor under this Agreement, and no event has occurred or is continuing that, with notice, or the passage of time, or both, would constitute a Default under this Agreement.

(i) The Guarantor has complied with all laws and orders of any courts or agencies of government.

(j) There is no indebtedness of the Borrower owing to the Guarantor other than accrued salaries, commissions and the like.

6. Covenants.

(a) The Guarantor covenants with the Center to provide as soon as available, but no later than May 15 of each year:

(i) A copy of the Guarantor's personal financial statements in reasonable detail satisfactory to the Center;

(ii) A copy of the Guarantor's federal income tax returns filed for the year, with all supporting schedules; and

(iii) Any additional information that the Center reasonably requests. In addition, the Guarantor authorizes the Center to obtain any additional information concerning the Guarantor from any source which the Center reasonably requires during the term of the Loan, including credit histories and credit scores.

(b) Without the prior written consent of the Center, the Guarantor shall not enter into any arrangement to sell, transfer, assign, or otherwise dispose of all or any substantial part of the Guarantor's assets.

(c) The Guarantor shall not dispose of any of the Guarantor's interest in the Borrower.

(d) The Guarantor shall comply with all laws, rules, and regulations.

(e) The Guarantor shall subordinate to the repayment of the Loan any right to payments due on advances made to the Borrower.

(f) The Guarantor shall promptly pay all taxes imposed on the Guarantor and the Guarantor's properties prior to the date when any interest or penalty would accrue for non-payment, except for those taxes being contested in good faith by appropriate proceedings by the Guarantor.

(g) The Guarantor shall not convert equity in the Borrower or any Obligor to debt, and shall not permit any other equity holder in either the Borrower or an Obligor to convert equity to debt. The Guarantor will not lend any funds to a Borrower or an Obligor and will not take a security interest or lien in any asset of the Borrower or any Obligor, and the Guarantor agrees that it will not permit any other person or entity to lend funds to, or take a security interest or lien in any asset of, the Borrower or an Obligor.

(h) The Guarantor shall promptly notify the Center of any Material Adverse Change in the Guarantor's financial condition or ability to perform under this Agreement. Material Adverse Change means any change in the authority, properties, assets, liabilities, or conditions (financial or otherwise) of the Guarantor that materially impairs the Guarantor's ability to perform any of its obligations under all of the Financing Documents.

(i) The Guarantor shall promptly notify the Center of any litigation, judgment, governmental investigation, tax lien, or administrative proceeding that could reasonably be expected to have a material adverse effect on the Guarantor's financial condition

7. Default. The occurrence of any of the following events shall constitute a default under the terms of this Agreement (collectively or individually, a "Default"):

(a) The failure of the Guarantor promptly to pay and perform any part of the Guarantor's Obligations;

(b) Any representation or warranty made in this Agreement or any financial statement or other information furnished by the Guarantor in connection with the Loan proves to have been false or misleading in any material respect on the date made or furnished;

(c) The failure of the Guarantor to comply with any covenant set forth in this Agreement;

(d) The occurrence of a default under the terms of the Loan Agreement, Security Agreement, or any other Financing Document, which is not cured within any applicable grace or cure period;

(e) Any court of competent jurisdiction makes a final order (i) adjudicating the Guarantor a bankrupt, (ii) appointing a trustee or receiver over a substantial part of the property of the Guarantor, (iii) approving a petition for, or affecting an arrangement in, bankruptcy, a reorganization pursuant to federal bankruptcy law, or any other judicial modification or alterations of the rights of the Center or of other creditors of the Guarantor, (iv) assuming custody or sequestering any substantial part of the property of the Guarantor, or (v) attaching or garnishing any substantial part of the property of the Guarantor; or if the Guarantor (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 inability to pay debts generally as they become due;

(f) If the Guarantor becomes a "Disabled Person" as defined the Estates and Trusts Article of the Annotated Code of Maryland; or

(g) The death of the Guarantor.

8. Rights and Remedies.

(a) Upon the occurrence of any Default:

(i) An amount equal to the total of the Guarantor's Obligations (whether matured or unmatured and regardless of whether any portion of the Guarantor's Obligations are then due and payable by the Borrower or any Obligor) shall immediately be due and payable by the Guarantor to the Center without further action by, or notice from, the Center unless expressly provided for in this Agreement;

(ii) The Center may exercise any of its rights and remedies under this Agreement or law to enforce and collect the Guarantor's Obligations. All rights and remedies shall be cumulative and enforceable alternatively, successively, or concurrently.

(iii) The Guarantor shall pay to the Center on demand the amount of any costs and expenses, including court costs and attorneys' fees and expenses paid or incurred by or on behalf of the Center in exercising any of its rights and remedies, together with interest thereon from the date due until paid in full at the rate of **12%** per annum.

(b) Each Default shall give rise to a separate cause of action, and separate actions may be brought under this Agreement as each cause of action arises. No failure or delay by the Center to require strict performance by the Guarantor of the Guarantor's Obligations or to exercise any of its powers, rights, or remedies under this Agreement or applicable laws shall operate as a waiver thereof or preclude the Center at any later time from demanding strict performance thereof or exercising any such powers, rights or remedies. No conduct, custom, or course of dealing shall be effective to waive, amend, or release this Agreement. No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the Center, and any waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

9. **CONFESSION OF JUDGMENT. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT AS PROVIDED IN THIS AGREEMENT, THE GUARANTOR AUTHORIZES THE CLERK OF THE COURTY OR ANY ATTORNEY ADMITTED TO PRACTICE BEFORE ANY COURT OF RECORD IN THE UNITED STATES ON BEHALF OF THE CENTER TO CONFESS JUDGMENT AGAINST THE GUARANTOR IN THE ENTIRE AMOUNT OWED OF THE NOTE, INCLUDING THE CENTER'S COLLECTION FEES AND REASONABLE ATTORNEY'S FEES. THE GUARANTOR AGREES THAT VENUE SHALL BE PROPER IN ANY COUNTY (INCLUDING BALTIMORE CITY) OF THE STATE OF MARYLAND. THE GUARANTOR WAIVES THE BENEFIT OF ANY AND EVERY STATUTE, ORDINANCE, OR RULE OF COURT WHICH MAY BE LAWFULLY WAIVED CONFERRING UPON THE GUARANTOR 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.**

10. Notices.

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

If to the Center:

Maryland Clean Energy Center
5000 College Ave, Suite 31010
College Park, Maryland 20740

Attention: Lawton Loan Program Manager
[INSERT CONTACT]

If to the Guarantor:

[Guarantor]
[Guarantor's Address]
[City, State]
[Email]

(b) The Center and the Guarantor may change the address specified in (a) above by sending written notice to the other parties.

11. Consent to Jurisdiction. The Guarantor irrevocably:

(a) Consents to the jurisdiction and venue of any state or federal court sitting in the State of Maryland over any action related to this Agreement or any of the Financing Documents;

(b) Waives, to the fullest extent permitted by law, any objection that the Guarantor may have to the venue of any action, or that any action has been brought in an inconvenient forum; and

(c) Consents to the service of process in any action by the mailing of copies of the process to the Guarantor by certified or registered mail at the Guarantor's address set forth for the purpose of giving notice.

12. Waiver of Jury Trial. The Guarantor waives any right they may have to a trial by jury in any action, proceeding, or litigation directly or indirectly arising out of, under and in connection with the Guarantor's Obligations, the Loan or this Agreement.

13. Continuing Agreement.

(a) This Agreement shall continue in effect and shall bind the Guarantor regardless of how long before or after the date of this Agreement any of the Guarantor's Obligations are incurred, and all representations, warranties, covenants, consents, waivers, and agreements of the Guarantor herein shall survive the date of this Agreement and shall continue in full force and effect until all Guarantor's Obligations have been indefeasibly paid in full.

(b) If no longer in effect, this Agreement shall be reinstated if at any time: (i) any part of a payment of the Guarantor's Obligations is rescinded or must be returned by the Center upon the insolvency, bankruptcy, receivership, dissolution, liquidation or reorganization of the Borrower, the Guarantor, or any Obligor, or as a result of the appointment of a receiver, trustee, or similar officer for the Borrower, the Guarantor, or any Obligor or any substantial part of their property, all as though the payment had not been made and regardless of whether the payment is returned to the party who originally made it or to some other party.

(c) Upon payment by the Guarantor to the Center of any part of the Guarantor's

Obligations, any present or future right of the Guarantor against the Borrower or any Obligor with respect to such payment arising by way of subrogation, reimbursement, indemnity, or otherwise shall be subordinate to the prior indefeasible payment in full of the Guarantor's Obligations.

14. Certain Debts.

(a) The Guarantor will not accept any loans, dividend payments, other disbursements, or unreasonable salary (as determined by the Center) from the Borrower. In addition, the Guarantor will not authorize any loan, dividend payment, other disbursement, or unreasonable salary to be paid by the Borrower to any other equity holder in the Borrower or to any relative of any equity holder in the Borrower, including the Guarantor.

(b) The Guarantor hereby subordinates the payment of principal, interest, and any other amounts due on any current or future indebtedness owed by the Borrower to the Guarantor (the "Company Debt") to the prior payment in full of the Guarantor's Obligations and agree that all of the right and interest of the Guarantor in the Company Debt shall at all times be subordinate to the right and interest of the Center in the Guarantor's Obligations.

(c) The Guarantor will not demand or accept, and the Borrower will not offer or make, directly or indirectly, by setoff, redemption, or otherwise, any payment on any part of the Company Debt until the full amount of the Guarantor's Obligations has been received by the Center in cash.

(d) Any payment of Company Debt received by the Guarantor that is prohibited under this Agreement shall be held by the Guarantor in trust for the Center. If the Guarantor fails to endorse any such payment where necessary or appropriate, the Guarantor hereby irrevocably appoints the Center as attorney-in-fact for the Guarantor, with full power to make any such endorsement and with full power of substitution.

(e) Until the full amount of the Guarantor's Obligations has been received in cash by the Center, the Guarantor shall not, without the prior written consent of the Center, (i) accelerate the maturity of any of the Company Debt, (ii) exercise any rights or remedies or take any action to collect or enforce any of the Company Debt, (iii) join with any other creditors of the Borrower in filing any petition commencing any action described in Section 7(e) against or in respect of the Borrower, (iv) sell, assign, transfer, or otherwise dispose of any part of the Company Debt, (v) accept any collateral or security for the Company Debt, (vi) amend or modify any instrument or agreement evidencing, creating, or executed in connection with any part of the Company Debt, or (vii) create additional Company Debt.

(f) The Guarantor shall maintain proper books and records concerning the Company Debt and shall permit the Center to inspect and photocopy those books and records or any instrument evidencing or creating any of the Company Debt.

15. Miscellaneous.

(a) All amounts payable by the Guarantor under this Agreement to the Center shall be paid in immediately available funds in a manner acceptable to the Center at the Center's address set forth in Section 10 above, or to any other place that the Center or other holder of this Agreement may designate.

(b) The Center may, without notice to, or consent of, any Guarantor, transfer any part of the Guarantor's Obligations, and this Agreement will inure to the benefit of the Center's transferee; provided, that the Center shall continue to have the unimpaired right to enforce this Agreement as to that part of the Guarantor's Obligations the Center has not transferred. In connection with any transfer or the grant by the Center of any participation in any part of the Guarantor's Obligations, the Center may divulge to any potential or actual transferee or participant any information or documents furnished in connection with this Agreement.

(c) The invalidity, illegality, or unenforceability of any provision of this Agreement shall not affect the validity, legality, or enforceability of any other provisions of this Agreement, all of which shall remain effective.

(d) This Agreement and the rights and obligations of the parties under it shall be construed and interpreted in accordance with the laws of the State of Maryland.

(e) Time is of the essence in connection with the Guarantor's Obligations.

(f) Section headings in this Agreement are included for convenience of reference only, and do not affect the meaning of any of the provisions of this Agreement.

(g) This Agreement shall be binding upon the Guarantor and the Guarantor's heirs, personal representatives, successors, and assigns, and shall inure to the benefit of the Center and its successors and assigns.

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[Signatures on Following Page]

IN WITNESS WHEREOF, the Guarantor has executed and delivered this Guaranty Agreement under seal as of the date first written above.

WITNESS: **GUARANTOR:**

______________________________ By: __________________________(SEAL)
Name: _______________________

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: ______________