

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

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### FILER

#### **LIME ENERGY CO.**

CIK: **1065860** | IRS No.: **364197337** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-16265** | Film No.: **111182908**  
SIC: **3600** Electronic & other electrical equipment (no computer equip)

#### Mailing Address

1280 LANDMEIER ROAD  
ELK GROVE VILLAGE IL 60007

#### Business Address

1280 LANDMEIER ROAD  
ELK GROVE IL 60007  
8474371666

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

(Date of earliest event reported): **November 3, 2011**



**LIME ENERGY CO.**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of  
incorporation or organization)

**001-16265**

(Commission File #)

**36-4197337**

(IRS Employer Identification No.)

**16810 Kenton Drive, Suite 240, Huntersville North Carolina 28078**

(Address of principal executive offices)

**(704) 892-4442**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry Into a Material Definitive Agreement**

On November 3, 2011, GES-Port Charlotte, LLC (“GES”), a wholly owned subsidiary of Lime Energy Asset Development, LLC (“LEAD”), a wholly owned subsidiary of Lime Energy Co. (“Lime”) entered into a Loan Agreement with RBC Bank (USA) (“RBC”), under which GES borrowed \$3.6 million (the ‘Loan Agreement’). The Loan Agreement matures on and all outstanding balances are due and payable on October 31, 2016. The Loan Agreement requires the monthly payment of interest and principal based on a 20-year amortization and a mandatory pre-payment at the end of each calendar year equal to 50% of GES’ s Excess Cash Flow. Excess Cash Flow is defined in the Loan Agreement as EBITDA less cash taxes paid, less Debt Service, and less up to \$10,000 in capital expenditures. Debt Service is defined to equal the sum of (a) the total of principal and interest payments on funded debt (excluding excess cash flow mandatory prepayments), plus (b) any cash dividends or distributions (excluding permitted distribution of the treasury grant). The loan carries an interest rate equal to 30-day LIBOR plus 500 basis points.

Funding under the Loan Agreement is to be made in two equal disbursements. The first disbursement shall take place once all the loan documents have been executed, RBC shall have perfected a first priority lien on the collateral, and borrower shall have provided evidence of commercial operation of the facility, among other requirements. The second disbursement shall take place once the facility shall have demonstrated that it has achieved an average of 2.18 megawatts of output over a 60 consecutive day period. GES met the conditions for the first funding on November 3, 2011 and anticipates it will meet the requirements for the second funding prior to December 31, 2011.

Borrowings pursuant to the Loan Agreement are secured by all of the assets of GES and guaranteed by LEAD and Lime.

The Loan Agreement contains a covenant that requires GES to maintain a minimum Debt Service Coverage Ratio to 1.35 to 1.0. The Debt Service Ratio is defined as the ratio of (a) EBITDA, less cash taxes and unfunded capital expenditures to (b) Debt Service.

The Loan Agreement contains customary events of default, including the failure to make required payments, borrower’ s failure to comply with certain covenants or other agreements, borrower’ s breach of the representations and covenants contained in the agreement, the filing or attachment of a lien to the collateral, the occurrence of a material adverse change, borrower’ s default of other certain indebtedness and certain events of bankruptcy or insolvency. Upon the occurrence and continuation of an event of default, amounts due under the Loan Agreement may be accelerated.

The foregoing description of the Loan Agreement is not complete and is qualified in its entirety by reference to the Loan Agreement and other related documents which are filed as exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

10.01 Loan Agreement between GES-Port Charlotte, LLC and RBC Bank (USA)

10.02 Commercial Promissory Note between GES-Port Charlotte, LLC and RBC Bank (USA)

- 10.03 Continuing Guaranty Agreement between Lime Energy Co., Lime Energy Asset Development, LLC and RBC Bank (USA).
- 10.04 Security Agreement between GES-Port Charlotte, LLC and RBC Bank (USA)
- 10.05 Mortgage by GES-Port Charlotte, LLC
- 10.06 Collateral Assignment of Site Lease Agreement between GES-Port Charlotte, LLC and RBC Bank (USA)
- 10.07 Form of Collateral Assignment
- 10.08 Hazardous Substances Indemnity Agreement between GES-Port Charlotte, LLC and RBC Bank (USA)
- 10.09 Pledge, Assignment and Security Agreement between Lime Energy Asset Development, LLC and RBC Bank (USA)
- 10.10 Intercreditor Agreement by and among American Chartered Bank, RBC Bank (USA), GES-Port Charlotte, LLC, Lime Energy Co., and Lime Energy Asset Development, LLC

**SIGNATURE**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIME ENERGY CO.:

Dated: November 7, 2011

By: /s/ Jeffrey Mistarz

Jeffrey Mistarz

Executive Vice President

Chief Financial Officer & Treasurer

RBC Bank

**Loan Agreement**  
(Term Loan – CRE)

**THIS LOAN AGREEMENT** (“Agreement”) is entered into as of October 31, 2011 (“Effective Date), by and between GES – PORT CHARLOTTE LLC (whether one or more, “Borrower”), with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, North Carolina 28078 and RBC BANK (USA), a North Carolina banking corporation (“Bank”), with a mailing address of Post Office Box 1220, Rocky Mount, North Carolina 27802-1220, which address is the place to which all notices and communications should be sent to Bank regarding this Agreement.

Borrower has requested and Bank has committed to make Borrower a term loan (“Loan”) on the terms and conditions set forth in this Agreement

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

### **Definitions**

For the purposes of this Agreement, terms and phrases will have the meaning given to them in Attachment 1 to this Agreement or elsewhere herein, as applicable; and, if any terms or phrases are not defined in either Attachment 1 or elsewhere in this Agreement, such terms will have the meaning given to them in the other Loan Documents, if therein defined, and if not, the Uniform Commercial Code (“UCC”) in effect from time to time in the jurisdiction whose laws govern this Agreement. In using and applying the various terms, provisions and conditions in this Agreement and the other Loan Documents, the rules of construction contained in Attachment 1 will apply.

### **Loan**

**Purpose.** The purpose of the Loan is to pay certain costs and expenses incurred by Borrower in connection with the Land Fill Energy Facility, located in Port Charlotte County, Florida. Loan proceeds may not be used for any other purpose without the prior written consent of Bank.

**Loan Amount.** The Loan Amount is Three Million Six Hundred Thousand Dollars (\$3,600,000).

**Funding.** Bank will loan and Borrower will borrow the Loan Amount. The Loan will be made in up to two (2) Disbursements, subject to the terms and conditions of this Agreement and the other Loan Documents. Bank will make each Disbursement to Borrower only upon satisfaction/waiver of the Conditions to Funding as provided in the Section of this Agreement entitled “Conditions to Funding”. Disbursements may be made by depositing funds in Borrower’s operating account with Bank or at such other place requested by Borrower and agreed to by Bank.

**Repayment – Note.** The outstanding principal balance of the Loan will bear interest, and principal and interest will be repayable in accordance with the terms of the Note, together with the fees, premiums, charges and cost and expenses provided for in the Note.

**Mandatory Prepayment of Loan from Excess Cash Flow.** In addition to the regularly scheduled payments of principal under the Note and the Net Cash Proceeds Mandatory Prepayment, commencing with the fiscal year ending December 31, 2012, Borrower shall make mandatory prepayments (each a “Excess Cash Flow Mandatory Prepayment” and collectively the “Excess Cash Flow Mandatory Prepayments”) of the Loan to Bank annually. Each Excess Cash Flow Mandatory Prepayment shall be in the amount of the “Excess Cash Flow” for the then preceding fiscal year and shall be payable on the date Borrower shall furnish to Bank the annual financial statements referred to in this Agreement. If, however, Borrower fails to furnish such financial statements in any given calendar year as and when required, Borrower shall be required to pay the Excess Cash Flow Mandatory Prepayment payable during such calendar year on the date which is one hundred twenty (120) days after the close of Borrower’s then preceding fiscal year. Borrower shall pay to Bank on the date of each Excess Cash Flow Mandatory Prepayment accrued interest to such date on the amount prepaid. Each Excess Cash Flow Mandatory Prepayment

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shall be applied to the balloon payment due at maturity and then to principal against the principal installments in the inverse order of their maturity.

**Net Cash Proceeds Mandatory Prepayment of Loan.** In addition to the regularly scheduled payments of principal under the Note and the Excess Cash Flow Mandatory Prepayments described in the preceding paragraph, Borrower shall make mandatory prepayments (each a “Net Cash Proceeds Mandatory Prepayment” and collectively, the “Net Cash Proceeds Mandatory Prepayments”) in the following amounts and at the following times (but not to exceed the amount of the outstanding Indebtedness to Bank):

(1) on the date on which Borrower (or Bank as loss payee or assignee) receives any casualty proceeds on assets upon which Bank maintained a Lien, an amount equal to one hundred percent (100%) of such proceeds (net of out-of-pocket expenses and repayment of Permitted Indebtedness, if any, encumbering the property that suffered such casualty), or such lesser portion of such proceeds as Bank shall elect to apply to the Indebtedness;

(2) upon receipt by Borrower of the proceeds of any Asset Disposition that is not made in the ordinary course of business, an amount equal to one hundred percent (100%) of the net cash proceeds of such Asset Disposition, or such lesser portion as Bank shall elect to apply to the Indebtedness; and

(3) upon receipt by Borrower, of the proceeds of any Equity Disposition, an amount equal to one hundred percent (100%) of the net cash proceeds of such Equity Disposition.

**Repayment – Other Indebtedness.** Unless otherwise provided in this Agreement or the other Loan Documents, the monetary obligations in addition to those arising under the Note that Borrower now owes and those that arise in the future and are owing by Borrower under this Agreement and the other Loan Documents will be payable by Borrower upon Bank’s demand for payment, with interest thereon at the Contract Rate; and, like the amounts due and owing under the Note, the same will be secured by the Collateral. The other monetary obligations will include any overadvances of principal on the Loan.

**Application of Payments.** All payments and collections on the Note or on account of the Note, and any payments and collections made on any other Indebtedness arising under or on account of any of the other Loan Documents, including payments or monies received or realized from any disposition of Collateral, will be applied in such order as determined by Bank, in its discretion, unless applicable Requirements of Law mandate a specific order of application, then all the foregoing payments and collections will be applied as mandated by applicable Requirements of Law.

### **Collateral**

The Loan and the other Indebtedness and obligations now or hereafter evidenced by and arising under any one or more of this Agreement, the other Loan Documents and any transactions related to this Agreement or any of the other Loan Documents, will be secured by the Collateral. Some of the Collateral is described or referenced on [Attachment 2](#) to this Agreement. The Loan and such other Indebtedness and obligations may also be secured by property and property rights described in some of the other Loan Documents, and such property and property rights will be included in and a part of the Collateral. To the extent Borrower now or in the future owns or has any interest in the Collateral, Borrower grants and assigns to Bank a lien and security interest in the Collateral. Bank’s lien and security interest in the Collateral is and will be a perfected first priority lien and security interest, subject only to the Permitted Liens.

### **Conditions to Funding**

Bank will not be required to make any Disbursement until all of the conditions in the following paragraphs of this Section have been satisfied and completed to Bank’s satisfaction, or the satisfaction and completion thereof waived. If all of the conditions in the following paragraphs of this Section are not met to Bank’s satisfaction, or waived by Bank, Bank may, at its option, (1) withhold any Disbursement until the conditions are met, (2) disburse and require that any unsatisfied conditions are satisfied as conditions subsequent to such Disbursement or

(3) terminate Bank's obligation to fund the Loan and recover from Borrower and any other Obligors all out of pocket costs and expenses incurred by Bank in connection with Bank's preparations for making the Loan to Borrower, together with the fees, premiums, charges and costs and expenses required to be paid by Borrower under any of the Loan Documents. If Bank makes any Disbursement and requires any unsatisfied conditions to be satisfied as conditions subsequent to such Disbursement, the failure of Borrower to satisfy and complete any one or more of the conditions subsequent to any Disbursement to Bank's satisfaction by the date or dates set by Bank will be an Event of Default under this Agreement and under the other Loan Documents, unless Bank, in its discretion, waives satisfaction and completion or further postpones satisfaction and completion. A waiver by Bank of a condition must

be in writing to be effective and a waiver as to one or more conditions will not constitute a waiver as to other conditions.

**CONDITIONS TO FUNDING FIRST DISBURSEMENT.** The first Disbursement shall not exceed fifty percent (50%) of the amount of the Loan and shall not be made unless and until Borrower satisfies each of the following conditions:

**Loan Documents.** Bank must have received fully executed and, if necessary, recorded or filed, originals of the Loan Documents required by (1) this Agreement and (2) Bank and its counsel.

**Supporting Documents.** Bank must have received the supporting documentation required by the Loan Documents and by Bank and its counsel, and all of the other terms and conditions listed in this Agreement must have been satisfied, including any additional conditions in Attachment 1.

**Perfection of Liens.** Bank must have perfected, first priority liens and security interests in all of the Collateral, subject only to the Permitted Liens.

**Representations and Warranties.** The representations and warranties made by Borrower and any other Obligors which are contained in this Agreement or in any of the other Loan Documents, and those which are contained in any loan application or other record furnished at any time to Bank in connection with Bank's underwriting or making of the Loan, must be true and correct on and as of the Effective Date, as if made on and as of such date, and on and as of the date of Funding.

**Evidence of Commercial Operation.** Borrower has provided Bank with evidence satisfactory to Bank that both (a) the Land Fill Energy Facility is able to achieve electrical output of not less than 2.1 megawatts over a seven (7) consecutive day period (it being understood that any interruption during the 7 consecutive day period during which the Land Fill Energy Facility is required to such down due to interconnection modifications shall be excluded from such period) and (b) Borrower has satisfied the requirements for "Commercial Operation" under the Power Purchase Agreement.

**Default.** An Event of Default must not have occurred and be continuing under this Agreement or any of the other Loan Documents and no event or condition must exist that would, immediately after or as a consequence of the Disbursement, be an Event of Default under this Agreement or any of the other Loan Documents.

**Fees.** Borrower must have paid to Bank the arrangement fee in the amount of \$56,000.00, which arrangement fee is earned as of the Closing Date as is not refundable, together with all other fees, premiums, charges and costs and expenses incurred by Bank in connection with the transactions contemplated by the Loan Documents, including, without limitation, all title fees, recording fees and taxes, appraisal costs, audit fees and the Bank's legal fees and expenses.

**Other Requirements.** All other information and documents contemplated by this Agreement must be received by Bank in form and substance satisfactory to Bank and its counsel, and Bank and its counsel must otherwise be satisfied that all matters required to be performed in connection with the Loan have been performed in such a manner that Disbursements can be made, the lien and security position of Bank perfected in the Collateral and that no event exists which will jeopardize the Loan and the prospect of payment of the Loan.

**CONDITIONS TO FUNDING FINAL DISBURSEMENT.** The final Disbursement shall not exceed fifty percent (50%) of the amount of the Loan and shall not be made unless and until Borrower satisfies each of the following conditions:

**Conditions for First Advance.** All of the conditions set forth above for the first Disbursement must be satisfied before Bank is obligated to make the final disbursement and each of the conditions must be and remain satisfied at the time of the final disbursement.

**Evidence of Electrical Output.** Borrower has provided Bank with evidence satisfactory to Bank that the Land Fill Energy Facility is able to achieve an average 2.18 megawatts of output for not less than sixty (60) consecutive days preceding the date of the final Disbursement (it being understood that any interruption during the 7 consecutive day period during which the Land Fill Energy Facility is required to such down due to interconnection modifications shall be excluded from such period).

### **Representations and Warranties**

In order to induce the Bank to enter into this Agreement and to make the Loan, Borrower makes to and in favor of Bank, for itself and the other Obligors, each and all of the representations and warranties set forth in the following

paragraphs of this Section, which representations and warranties are qualified by the Permitted Liens and by any qualifications in the Section of Attachment 1 entitled "Qualifications to Representations and Warranties".

**Financial Statements.** The financial statements delivered by Borrower and any other Obligors to Bank in connection with Borrower's application for the Loan, including the related schedules and notes thereto, (1) are complete, accurate and correct and present fairly the financial condition of Borrower and any such other Obligors at such date, (2) have been prepared in accordance with GAAP applied consistently throughout the periods involved, and (3) since the date thereof, there have been no material adverse changes in any one or more of the business, operations, assets and financial condition of Borrower or any other Obligors.

**Organization.** Borrower and each of Obligor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Borrower and each of the other Obligors (1) has the authority and the legal right to own the property it owns, to lease the property it leases and to operate and conduct its business as presently operated and conducted, or as proposed to be operated and conducted, as represented to Bank in connection with Borrower's application for the Loan, and (2) is in compliance with all Requirements of Law, except in those instances where the failure to comply therewith does not and will not, in the aggregate, have a material adverse impact on any one or more of its business, operations, property and financial condition and does not and will not materially adversely affect its ability to perform under the Loan Documents. Borrower operates its business and owns its assets only under the name of Borrower.

**Authority.** Borrower and each of such other Obligors has the authority and the legal right (1) to make, deliver and perform under the Loan Documents, (2) as to Borrower, to borrow hereunder and has taken all action to authorize the borrowings on the terms and conditions of the Loan Documents, including the Note, (3) to authorize the execution, delivery and performance of the Loan Documents to which it is a party and (4) to pledge and mortgage its property as contemplated by the Loan Documents.

**Enforceable Agreements.** The Loan Documents when executed and delivered will constitute legal, valid and binding obligations of Borrower and any other Obligors, enforceable in accordance with their terms and not subject to rescission, invalidation, nullification and other avoidance.

**Ownership.** Borrower, and each of the other owners of the Collateral and each of the other owners of interests therein, if any, have good and marketable title in fee simple in and to the Collateral owned by each, free and clear of any and all liens, security interests, encumbrances, restrictions, claims, demands, off sets, contingencies and other outstanding interests, both legal and equitable. Bank has, or upon the attachment of the security interest created hereunder and under any of the other Loan Documents, will have, a first priority perfected security interest and lien in the Collateral.



**Compliance with Laws.** All the Collateral, and the Borrower's uses thereof, are in substantial compliance with all applicable Requirements of Law, including those pertaining to the following: the environment; hazardous materials, substances or wastes; access to, from, in, around and over the Land by persons with physical or other disabilities; land use, including zoning; building codes; drainage, storm water and flood control; and, public health, welfare and safety. The Collateral does not require any rights over, or restrictions against, other property in order to comply with any Requirements of Law. Bank acknowledges that Borrower does not own the Land.

**Compliance with Private Restrictions.** All the Collateral, and Borrower's uses thereof, are in substantial compliance with all applicable private covenants, restrictions and use requirements, including those of any property owners' association or similar organization. The Collateral does not require any rights over, or restrictions against, other property in order to comply with any private covenants, restrictions or other use requirements. Bank acknowledges that Borrower does not own the Land.

**Use of Collateral.** Borrower has all material permits, licenses, franchises, trademarks, copyrights and approvals, whether governmental, quasi-governmental or private, necessary for the full use and continued full use of the Collateral for its intended purposes. To the extent necessary for the full use and continued full use of the Collateral, all of the following are in place, completed, open, functioning and dedicated to and accepted by the appropriate Governmental Authorities or property owners' associations or similar organizations, and available for their intended use by Borrower and its permitted designees, including employees, agents, lessees, tenants, licensees, guest and invitees, without further condition or cost to Borrower: all public and private utilities and utility services; all drainage facilities, water retention facilities and other storm water facilities; all public and private streets and other roadways, together with sidewalks, curb cuts, driveways, traffic signals and lighting; and all recorded easements and rights in the nature of easements.

**Permits and Licenses.** Borrower has obtained or has made provisions for obtaining all permits, licenses and approvals necessary for the operation of the Land Fill Energy Project, and there are no restrictions, covenants or other matters that prevent or may prevent the intended use of the Premises on the Premises as stated by Borrower in one or more of the Loan Documents.

**Condition of Collateral.** The Premises are free from delinquent utility charges and taxes and assessments from Borrower's use thereof. The buildings and other improvements that are part of the Collateral are structurally sound, in good repair and free of material defects in materials and workmanship and have been constructed and installed in substantial compliance with the plans and specifications relating thereto. All major building systems and equipment located within or a part of any buildings and other improvements that are a part of the Collateral, including the heating and air conditioning systems and the electrical and plumbing systems, are in good working order and condition. The Premises are free from un-repaired material damage caused by fire, flood, accident or other casualty. No parts of the Premises have been taken in condemnation, eminent domain or like proceeding nor are any such proceeding pending or to Borrower's knowledge and belief, threatened or contemplated. There are no hazardous materials, substances or wastes located on, in or under the Premises or used in connection with the Premises. There are no harmful or hazardous levels or concentrations of mold, spores or other fungi on, in or under the Premises and there are no harmful or hazardous levels or concentrations of radon or other similar gases on, in or under the Premises. Bank acknowledges that Borrower does not own the Land.

**Contractual Obligations.** Neither Borrower nor any other Obligor is in default under or with respect to any contractual obligation, including any contracts or any Indebtedness, where such default and the consequences thereof could be materially adverse to any one or more of its business, operations, properties and financial condition, or where such default and the consequences thereof could materially adversely effect its ability to perform its obligations under the Loan Documents; and no event exists, or will exist as of the initial Funding Date, which, with the giving of notice or the lapse of time, or both, would give rise to such a default.

**Pending Proceedings.** There are no known Claims pending or threatened against or affecting, whether directly or indirectly, the Collateral or any Obligor, which, if adversely determined, could materially impair or have a negative affect on the Collateral, or could negatively affect in a material manner any Obligor's ability to perform the covenants or obligations required to be performed by such Obligor under the Loan Documents.

**Anti-Money Laundering.** No Obligor is a person whose property or interest in property is blocked or subject to blocking pursuant to any laws of the U.S. No Obligor is a person on the list of Specially Designated Nationals and Blocked Persons and no Obligor is subject to any limitations or prohibitions under any regulations or orders of the U.S. Department of Treasury's Office of Foreign Assets Control. Each Obligor is in compliance with and no Obligor engages in any dealings or transactions prohibited by any laws of the U.S., including the USA Patriot Act, the Trading with the Enemy Act or the U.S. Foreign Corrupt Practices Act of 1977, all as amended.

### **Affirmative Covenants**

Unless Bank, in its discretion, consents in writing to the contrary, Borrower will perform or cause to be performed, at Borrower's sole cost and expense, each of Borrower's obligations set forth in the following paragraphs of this Section, as and when required.

**Use of Proceeds.** Borrower will use the proceeds of the Loan only for the purposes stated in this Agreement, and under no circumstances will such proceeds be used for personal, family or household purposes.

**Payment/Performance.** Borrower will pay when due all amounts now owing to Bank under the Note, this Agreement and the other Loan Documents, and Borrower will pay when due all amounts which may in the future become owing to Bank under the Note, this Agreement and the other Loan Documents. Borrower will promptly perform or otherwise abide by or adhere to all non-monetary obligations of Borrower hereunder and under the Note and the other Loan Documents – both present non-monetary obligations and non-monetary obligations which may arise in the future.

**Taxes.** Borrower will pay when due, all taxes and public and private assessments, levies and charges upon or against the Collateral, of every character which are now liens thereon and any which may hereafter become liens thereon; and immediately deliver to Bank official receipts therefor.

**Insurance.** Borrower will maintain the following insurance and such other insurance as Bank may reasonably require: (1) at all times from and after the initial Funding Date, all-risk replacement cost insurance with agreed amount endorsement and such other casualty insurance as Bank may require; (2) at all times from and after the initial Funding Date, unless Bank agrees otherwise in its discretion, business interruption insurance; (3) at all times

from and after the initial Funding Date, general liability insurance covering risks customarily carried in similar properties having a use or uses similar to that being made of the Premises from time to time; and (4) if the Premises are located in an area designated as a flood zone or an area which Bank deems to be prone to flooding, from a date specified by Bank, which will not be before the initial Funding Date, a flood insurance policy. All insurance will be with insurance carriers approved by Bank, the insurance must be in amounts acceptable to Bank and the form and terms of the insurance policies and certificates evidencing the insurance policies, including the cancellation notice provisions and the manner in which Bank's interests are designated in such policies, must be satisfactory to Bank, in Bank's sole discretion. All insurance is hereby assigned to Bank and it is and will be a part of the Collateral. Borrower will pay all premiums for the Insurance when due and Borrower will immediately deliver to Bank official receipts therefor.

**Escrows.** If reasonably required by Bank, Borrower will pay to Bank, or to Bank's authorized representative, in escrow, the known or estimated yearly amounts for any one or more of the following relating to the Collateral ("Escrow"): taxes; public or private assessments; levies and charges; premiums for insurance; and repair and replacement reserves. The terms of the Escrow, including the amounts to be paid and the date or dates on which such payments are to be made by Borrower, will be reasonably set by Bank at the time Bank requires the establishment of the Escrow, and such terms may be changed by Bank at any time, in its sole discretion.

**Protection of Liens.** Borrower will maintain, protect and preserve the liens and security interests of Bank in the Collateral and the lien position of Bank in the Collateral, including (1) paying when due, all taxes and public and private assessments, levies and charges upon or against the Collateral, (2) filing of "claims" under insurance policies within the time periods required under such policies, (3) filing of

appropriate notices, claims and pleadings in any condemnation actions and (4) defending the title to the Collateral and Bank's liens and security interests therein against adverse claims of any person.

**Compliance with Laws.** Borrower will comply in all material respects with all existing and future Requirements of Law and private covenants and restrictions relating to Borrower's business and the Collateral. Borrower will keep in full force and effect all material permits, licenses, franchises, trademarks, copyrights and approvals, whether governmental, quasi-governmental or private, necessary for the full use and continued full use of the Collateral and the continued operation of its business as the same is now being conducted. When requested by Bank, Borrower will provide copies of each of the foregoing to Bank or its authorized representatives.

**Management of Collateral.** Borrower will at all times manage and operate the Collateral, or with prior notice to and consent by Bank, Borrower will manage and operate the Collateral through either (1) a person affiliated with Borrower that has significant, continued experience in managing properties similar in all respects to the Collateral and whose reputation in the "industry" and that of its principals as a manager is and remains for the duration of its engagement, exceptional and beyond reproach, or (2) a professional management company with significant, continued experience in managing properties similar in all respects to the Collateral and whose reputation in the "industry" and that of its principals as a manager is and remains for the duration of its engagement, exceptional and beyond reproach. Borrower, and its permitted management agents or other permitted designees, will manage the Collateral at all times in a professional manner, using Best Efforts and applying industry recognized best practices.

**Maintenance of Collateral.** Borrower will keep the Collateral in substantially good order, repair and condition. Borrower will not commit or permit any material waste to or deterioration of the Collateral. Borrower will promptly make all repairs, replacements, additions and improvements to the Collateral as are necessary or otherwise appropriate to maintain the Collateral in a substantially good condition and state of repair – all such repairs, replacements, additions and improvements to be lien free as undertaken and when completed. Borrower will do and cause to be done – and refrain from doing and causing to be done – such other acts relating to the Collateral as Bank may, from time to time, request.

**Performance of Contracts.** Borrower will perform, as and when required, all of its material obligations under each one of and all contracts that are deemed by Bank to be material to the Collateral, any uses of the Collateral or Borrower or Borrower's business. With respect to all contracts, whether material or non-material, Borrower will pay and cause others acting under or on the account of Borrower to pay, all persons required to be paid for labor, services, materials, supplies, fixtures, parts, products or equipment furnished to or in connection with the Collateral as and when such persons are required to be so paid pursuant to such applicable contracts, including any provisions governing disputes thereunder, provided, Borrower will if reasonably requested by Bank, maintain reserves in an amount sufficient to pay such disputed amounts. Borrower will not, without the prior written approval of Bank, terminate or significantly modify any present or future material contracts relating to the Collateral, any uses

of the Collateral or Borrower or Borrower's business. When requested by Bank, Borrower will provide Bank copies of Borrower's material contracts and amendments thereto related to the Collateral or Borrower's business.

**Inspection of Collateral.** Borrower will permit Bank, and Borrower will permit Bank's authorized representatives, from time to time and at reasonable times on prior notice to Borrower, to audit, visit and inspect any of the Collateral and any of the other property owned or used by Borrower in its business relative to the Collateral. The costs and expenses incurred by Bank when Bank conducts an audit or inspection, and the costs and expenses incurred by Bank when Bank conducts an audit or inspection through Bank's authorized representatives, will be borne by Bank unless Bank determines during or as a result of an audit or inspection that Borrower is in Default under this Agreement or any of the other Loan Documents, in which event Borrower will pay such costs and expenses.

**Books and Records.** Borrower will maintain proper books and records in which full, true, accurate and correct entries, in conformity with GAAP and all Requirements of Law, will be made of all material dealings and transactions in relation to Borrower's business and activities, including the Collateral. Bank and its authorized representatives will have the right to audit/copy the books and records maintained and kept in connection with Borrower's businesses, including the Collateral. The costs and expenses incurred by Bank when conducting such audits, and

the costs and expenses incurred by Bank when Bank conducts such audits through its authorized representatives, will be borne by Bank unless Bank determines during or as a result of an audit that Borrower is in Default under this Agreement or any of the other Loan Documents, in which event such costs and expenses will be paid by Borrower.

**Tax Returns.** Borrower will file, as and when required, all federal, state, local and other tax returns which are required to be filed by it, and will pay all taxes due or to be due under such returns.

**Payment of Indebtedness.** Borrower will make full and timely payment of all Indebtedness on which Borrower is now obligated and all Indebtedness on which Borrower may in the future come to be obligated to Bank, and to persons other than Bank; and, Borrower will duly and faithfully comply with all the terms and conditions to which Borrower is obligated thereunder, the breach of which could materially adversely affect Borrower, inclusive of its businesses, assets, operations and activities.

**Notice of Events.** Borrower will promptly notify Bank if Borrower obtains knowledge of the occurrence of any Claims pending or threatened against or affecting, whether directly or indirectly, the Collateral or any Obligor, which, if adversely determined, could materially impair or have a negative affect on the Collateral, or could negatively affect in a material manner any Obligor' s ability to perform the covenants or obligations required to be performed by such Obligor under the Loan Documents.

**Additional Requirements.** At Bank' s request, Borrower will do or undertake any act and execute and deliver any additional documents consistent with the Loan Documents reasonably required by Bank to secure the Loan, confirm and perfect the lien and security interest of Bank in the Collateral and to comply with the Loan Documents, including additional financing statements, new and replacement notes, security documents and agreements supplementing, extending and otherwise modifying the Note, this Agreement and any of the other Loan Documents, and certificates as to the amount of the Indebtedness evidenced by the Note from time to time.

### **Negative Covenants**

Without Bank' s prior written consent that may be withheld in Bank' s discretion, unless otherwise provided on an attachment to this Agreement that has been approved in writing by Bank, Borrower will not do or permit to be done any one or more of the things set forth in the following paragraphs of this Section.

**Change of Name.** Borrower will not change its name and Borrower will not operate under a name other than its current name. Borrower will not change the state of its organization.

**Character of Business.** Borrower will not change the general character of its business as shown in information on file with Bank, or engage in any type of business not reasonably related to such business. Borrower will not suspend or cease its business operations or any material part or parts thereof. If Borrower is an Organization, (1) Borrower will not dissolve or otherwise terminate or permit the termination of its organizational existence, (2) Borrower will not permit its organizational existence to become inactive or dormant and (3) Borrower will not permit its organizational existence to be suspended under any Requirements of Law or to become noncompliant in any material respects under any Requirements of Law.

**Changes in Organizational Structure.** With the exception of permitted changes in control set forth in the definition of "Change in Control" and provided the conditions therein are satisfied, Borrower will not enter into or be a party to

or permit any one or more of the following organizational changes or transactions: merger, consolidation, asset acquisition, other than asset acquisitions in excess of \$50,000, stock or other equity acquisition or sale, syndication, liquidation of assets, reorganization or recapitalization, or reclassification of capital stock or other equity interests.

**Change in Management.** With the exception of permitted changes in control set forth in the definition of "Change in Control" and provided the conditions therein are satisfied, Borrower will not materially change or otherwise reconstitute, and Borrower will not permit to be

materially changed or otherwise reconstituted, its management structure or those managing Borrower, including, a change in its managing member or members.

**Additional Indebtedness.** Except for the Loan and other Indebtedness owing to Bank, Borrower will not (1) create any Indebtedness, (2) incur or otherwise become obligated on any Indebtedness, (3) assume any Indebtedness, (4) refinance any Indebtedness, (5) suffer to exist any Indebtedness against it, or (6) draw upon any Indebtedness. For the purposes of this paragraph, Indebtedness does not include short-term unsecured trade credit incurred in the ordinary course of business and paid in accordance with its terms.

**Additional Liens.** Except for Permitted Liens, Borrower will not and Borrower will not permit others to encumber the Collateral, or any part thereof or interest therein, with any one or more of the following: a judicial, mechanic' s, materialmen' s or other lien or claim of lien (inclusive of real property, personal property and mixed real and personal property liens), unless such lien is bonded off to the satisfaction of Bank; a security interest or a lien in the nature of a mortgage, deed of trust, trust deed or security deed; a governmental assessment or lien (inclusive of a federal tax lien); a charge; a levy; an attachment; an order of seizure; a claim and delivery; or, any other similar or dissimilar claim.

**Judgments.** Borrower will not permit a judgment for the payment of money to be entered against it which judgment Borrower permits to remain unsatisfied or unstayed for a period of thirty (30) days after the same is entered against Borrower.

**Distributions.** Borrower will not declare any dividends on, and Borrower will not make any payment or other distribution on account of, and Borrower will not set apart assets for a sinking or other analogous fund for the purchase, redemption, retirement and other similar or dissimilar acquisition of, any equity interest in Borrower or any of its Affiliates, and Borrower will not do any of the foregoing with respect to a debt or similar interest in Borrower or any of its Affiliates, other than (1) debts owed to Bank by Borrower, (2) trade debt incurred by Borrower in the normal and ordinary course of Borrower' s business and (3) distributions to Borrower' s members from and after January 1, 2013, provided, at the time of each such distribution and after giving effect thereto (i) no Event of Default has occurred and is continuing, (ii) on a pro forma basis, Borrower shall have not less than \$150,000 in immediately available funds in Borrower' s operating account at Bank, and (iii) Bank has received a current audit of Borrower the results of which are satisfactory in all material respects to Bank.

**Payments.** Borrower will not make any payments, whether principal, interest or otherwise, on debt owed by Borrower to its officers, managers, members, partners or other equity holders, or debt owed by Borrower to any of its Affiliates or any of its Affiliates officers, managers, members, partners or other equity holders; and, Borrower will not secure the repayment of any such debt with a lien or security interest on any of Borrower' s present or future assets, whether real, personal or mixed real and personal.

**Loans and Investments.** Borrower will not make or commit to make any advance, loan, extension of credit or capital contribution to, or purchase or commit to purchase of any stock, bonds, notes, debentures or other securities of or equity interest in any person, including any past, present, or future stockholder, director, officer, executive, manager, member, partner or employee of Borrower, other than employee relocation loans, employee bridge loans and other incidental loans to employees, all in the ordinary course of business.

**Transactions with Affiliates.** Borrower will not directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower except for transactions that are in the ordinary course of Borrower' s business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm' s length transaction with a non-affiliated Person.

**Prohibited Transfer.** Borrower will not voluntarily or involuntarily, through its direct actions or inactions or indirectly through the actions or inactions of others, sell, assign, convey-in-lieu-of-condemnation, encumber, grant a lien or security interest, lease, demise, rent, transfer, convey or otherwise dispose of all or any part of the Collateral, or any interest, right or estate therein, other than sales or transfers made in the ordinary course of business for fair and reasonably equivalent consideration.

**Change in Use.** Borrower will not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Land, whether public or private. Borrower will not change the current use being made by Borrower of that portion of the Land on which the Premises exist, or any material part or parts of the remaining Collateral.

**FCPA.** Borrower will not use all or any part of the proceeds of the Loan, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

### **Financial Covenants**

Borrower will perform or cause to be performed each of Borrower's obligations set forth in the following paragraphs of this Section, as and when required.

**Financial Reports.** Borrower will furnish to Bank and Borrower will cause others to furnish to Bank, at the sole cost and expense of Borrower, such financial and other information respecting the business, assets, operations and financial condition of Borrower and the other Obligors as the Bank may from time to time reasonably request, including the following at the times indicated:

**Annual Statements and Certificates.** Borrower shall furnish to Bank as soon as available, but in no event more than one hundred twenty (120) days after the close of each fiscal year of Borrower, a copy of the annual audited financial statement in reasonable detail satisfactory to Bank relating to Borrower and its Subsidiaries, prepared in accordance with GAAP and examined and certified by independent certified public accountants satisfactory to Bank, which financial statement shall include a consolidated and consolidating balance sheet of Borrower and its Subsidiaries as of the end of such fiscal year and consolidated and consolidating statements of income and cash flows of Borrower and its Subsidiaries for such fiscal year.

**Quarterly Statements and Certificates.** Borrower shall furnish to Bank as soon as available, but in no event more than forty five (45) days after the close of Borrower's fiscal quarters, consolidated and consolidating balance sheets of Borrower and its Subsidiaries as of the close of such period, consolidated and consolidating income statements, each prepared by a Responsible Officer of Borrower in a format acceptable to Bank, all as prepared and certified by a Responsible Officer of Borrower and a Compliance Certificate, containing a detailed computation of each financial covenant in this Agreement which is applicable for the period reported, and accompanied by a certificate of that officer stating whether any event has occurred which constitutes a Default or an Event of Default hereunder, and, if so, stating the facts with respect thereto.

**Monthly Statements and Certificates.** Borrower shall furnish to Bank as soon as available, but in no event more than thirty (30) days after the close of each calendar month, balance sheets of Borrower and its Subsidiaries as of the close of such period, consolidated and consolidating income statements, all as prepared and certified by a Responsible Officer of Borrower and accompanied by report showing monthly output of electricity for the Land Fill Energy Facility for the preceding month, certified by a Responsible Officer of Borrower.

**Annual Budget and Projections.** Borrower shall furnish to Bank as soon as available, but in no event later than thirty (30) days before the end of each fiscal year a consolidated and consolidating budget and pro forma financial statements on a month-to-month basis for the following fiscal year.

**Additional Reports and Information.** Borrower shall furnish to Bank promptly, such additional information, reports or statements as Bank may from time to time reasonably request.

**Debt Service Coverage.** Commencing with the fiscal quarter ending March 31, 2012, Borrower shall maintain a Debt Service Coverage, calculated on a rolling four (4) quarters basis for the fiscal quarter then ended and the immediately preceding three (3) fiscal quarters of not less than 1.35 to 1.0, provided, however, for the fiscal quarter ending March 31, 2012, the calculations shall be based on the results for that quarter annualized, for the fiscal quarter ending June 30, 2012, the calculations shall be based on the results for the two immediately preceding fiscal quarters annualized, for the fiscal quarter ending September 30, 2012, the calculations shall be based on the results for the three immediately preceding fiscal quarters annualized, and thereafter based on a rolling four (4) quarter basis.

## **Additional Covenants – Casualty and Condemnation**

**Casualty.** In the event of a loss or other casualty affecting the Collateral or any part or parts thereof, Borrower will give immediate notice by mail to Bank, who may make proof of loss if not made promptly by Borrower. Each

insurance company concerned is hereby authorized and directed to make payment of any loss or other casualty directly to Bank, instead of Borrower and Bank jointly. If the loss or casualty is equal in value to less than 25% of the total Collateral, the Bank shall apply the proceeds of any insurance, or any part thereof, to the restoration or repair of the Collateral. If the loss or casualty is equal in value to 25% or greater of the total Collateral, the Bank may apply, at its option, the proceeds of any insurance, or any part thereof, to the reduction of the Indebtedness and other obligations evidenced by this Agreement or evidenced by or secured by any of the other Loan Documents. Borrower will execute such further assignments of any such payments of Insurance proceeds as Bank may require.

**Condemnation.** Borrower will give Bank prompt written notice of the institution or threatened institution of any proceedings for eminent domain or for the condemnation of the Collateral or any part or parts thereof. To the extent permitted by applicable Requirements of Law, all compensation, awards and recoveries (collectively “awards”) for or from any condemnation or taking, or proceedings in-lieu thereof, of all or any part of the Collateral or for any damage or injury to it or any loss or diminution in value of the Collateral by reason of the condemnation or other taking, or proceedings in-lieu thereof, of all or any part of the Collateral, are hereby assigned to and will be paid to Bank for application, at Bank’s option, either to the reduction of the Indebtedness and other obligations evidenced by this Agreement or evidenced by or secured by any of the other Loan Documents, or to the restoration or repair of the Collateral. To the extent applicable Requirements of Law do not permit the application of all or any portion of such awards as aforesaid, and without limiting or negating Bank’s existing security interest and lien therein but in furtherance thereof, any awards that can not be so applied are hereby assigned to and Bank is hereby granted a security interest in and lien upon all such awards; and to perfect said security interest and lien, such awards will be paid to Bank, or Bank’s designee, and they will be and become a part of the Collateral. Borrower will execute such further assignments of any such awards as Bank may require.

## **Default**

The occurrence of any one or more of the following events will constitute a Default or an Event of Default under this Agreement and the other Loan Documents (“Default” or “Event of Default”): (1) the occurrence of any default or event of default under the Note and the failure of such default or event of default to be cured within any applicable grace periods thereunder; (2) Borrower’s default under, breach, or failure to perform any material covenant, representation, warranty, term, condition or provision contained in this Agreement or any of the other Loan Documents, or any other Obligor defaults under, breaches or fails to perform any of such person’s material obligations under any of the Loan Documents, and any such defaults, breaches or failures to perform are not remedied to Bank’s satisfaction within fifteen (15) days following written notice thereof having been given by Bank to Borrower or such other person, as applicable; (3) the actual or threatened destruction, demolition, injury or waste to, or taking of, the Collateral, or any material part or parts thereof, which, in the sole opinion of Bank, impairs the Collateral’s value or may impair its value in any material respect, or threatens the prospect of timely payment and performance by Borrower or any other Obligor of any of their respective material obligations under this Agreement or any of the other Loan Documents; (4) the filing or attachment of a lien, including a mechanic’s, materialmen’s or warehousemen’s lien, security interest, encumbrance or other claim against the Collateral or any part or parts thereof, or interest therein, which is not bonded off to Bank’s satisfaction, except ad valorem property taxes for the then current year and a lien or security interest in Bank’s favor, or Borrower’s assets other than the Collateral, or any material part or portion thereof, or the assets or any material part or portion thereof of any other Obligor, are attached, seized, subjected to a writ or distress warrant, or are levied upon, and any such attachments, seizures, warrants or levies are not fully discharged within thirty (30) days following the date thereof; (5) Borrower’s insolvency or bankruptcy or the insolvency or bankruptcy of any other Obligor, or the appointment of a receiver for Borrower or any other Obligor, or any of their respective assets; ; the making or existence of a material misrepresentation in any loan application or other information provided by Borrower, or any other Obligor, to Bank in connection with the Loan; (6) Borrower’s default under any other Indebtedness or other obligation Borrower now owes Bank or which Borrower may in the future owe to Bank, or the occurrence of a default under any other present or future Indebtedness or obligation owing to Bank by any other Obligor, and the failure of such defaults to be cured within any applicable grace periods; (7) the occurrence of an event of default or other breach under the covenants,

terms or conditions of any instruments or other agreements to which any of the Loan Documents are subordinate or which are subordinate to any of the Loan Documents and the failure of such default or breach to be cured within any applicable grace period; (8) a determination by Bank that the Collateral or any material part or parts thereof have suffered a substantial decline in value or that a substantial decline in value is probable; (9) or a determination by Bank that the prospect of payment or performance by Borrower or any other Obligor under this Agreement or any one or more of the other Loan Documents is insecure in any material respect, or that a material

adverse change in the financial condition of Borrower or any other Obligor has occurred since the Effective Date of this Agreement.

### **Remedies**

Upon the occurrence of an Event of Default under this Agreement or any of the other Loan Documents Bank will have the right, at its option and without prior notice or demand unless otherwise required hereunder or in any of the other Loan Documents, to exercise any and all of Bank's rights and remedies under this Agreement and the other Loan Documents that are exercisable by Bank after the occurrence of an Event of Default, including any one or more of the rights and remedies in the paragraphs of this Section entitled "Acceleration", "Power of Enforcement" and "Management of Collateral". Any amounts collected by Bank through the exercise of Bank's rights and remedies as aforesaid, or otherwise, including proceeds of any sale of, and other realization upon, all and any part of the Collateral, will be applied by Bank as provided under the paragraph of this Agreement entitled "Application of Payments", unless applicable Requirements of Law require a different application of payments, and then they will be applied in accordance with applicable Requirements of Law.

**Acceleration.** Upon the occurrence of an Event of Default, Bank will have the right, at its option and without prior notice or demand unless otherwise required hereunder or in any of the other Loan Documents, to accelerate and declare immediately due and payable the Note, or any one or more of them if more than one, as well as any and all of the other Indebtedness and other obligations owing under this Agreement and the other Loan Documents that are not already due hereunder and that are not already due thereunder.

**Power of Enforcement.** Upon the occurrence and during the continuance, of an Event of Default, Bank may do, seek to be done and have done by itself, or others on Bank's behalf, any one or more of the following, whether or not Bank accelerates payment: (1) limit, restrict, suspend or terminate Bank's obligation to make Disbursements under this Agreement to Borrower or any other person; (2) pay any sums for which Borrower or any other Obligor is or may in the future be obligated hereunder or under any of the other Loan Documents; (3) take possession and control of all, or such part or parts of the Collateral, or interests therein, as Bank may elect, through Bank's own actions or those of Bank's authorized representatives, or through appropriate legal or equitable proceedings, including obtaining the appointment of a receiver or other similar official to enter upon and take possession of, and control and management over any and all of the Collateral or interests therein; (4) perform or cause to be performed the obligations of Borrower, any other Obligor or any other person under this Agreement or any of the other Loan Documents, and perform or cause to be performed any other acts Bank deems advisable, including in all the foregoing instances, management of the Collateral by Bank exercising the rights and remedies granted in the paragraph below entitled "Management of Collateral" and by Bank exercising any other rights and remedies afforded to Bank elsewhere in the Loan Documents; (5) foreclose or authorize the foreclosure of all and any part or parts of the Collateral, or interests therein, under any powers of sale granted in the Loan Documents or through a judgment or decree of a court or courts of competent jurisdiction; and (6) exercise or pursue any other rights and remedies available to Bank under the Loan Documents, at law or in equity, including any one or more of the following: Bank's right of set-off; Bank's right of recoupment; suits in equity; actions at law; and other appropriate legal, equitable and administrative proceedings to enforce full payment and performance.

**Management of Collateral.** Upon the occurrence and during the continuance, of an Event of Default, Bank will have the right, but not the obligation, by itself or through Bank's authorized representatives, a receiver or other similar official, or any other person, to take possession of, hold, store, use, operate, construct, install, complete, repair, restore, preserve, protect, lease, rent, demise, sell, transfer and otherwise generally manage and control all and any part or parts of, and interests in the Collateral, and conduct the business and all other activities related or incident thereto, as Bank deems necessary or advisable in Bank's discretion. In furtherance of the foregoing, from time to time and at any time after the occurrence of an Event of Default, Bank may do and Bank may have done or direct the doing of any one or more of the following: complete any construction and upfitting of improvements in Bank's name or Borrower's name; make all necessary or appropriate



maintenance, repairs, renewals, replacements, additions, betterments and improvements to the Premises and parts thereof, and in connection therewith, purchase and otherwise acquire fixtures, personal property and other types of property; insure and keep the Collateral and parts thereof insured; manage and operate the Collateral and parts thereof, including leasing, demising, renting or selling; enter into agreements with other persons relative to the management and operation of the Collateral and parts thereof; and collect and receive all the rents, income, proceeds and other benefits arising out of the Collateral and each and all parts thereof and interests therein.

### **Payment of Costs and Expenses**

Without limiting any other provision of this Agreement relating to Borrower's payment of costs and expenses incurred by Bank and those incurred by others on behalf of Bank, but in addition thereto, whether or not the Loan is made and all of the Loan proceeds disbursed, Borrower will pay to Bank, when requested to pay, each and all of any out of pocket costs and expenses incurred by Bank or others on behalf of Bank in connection with the Loan or the making of the Loan, and those incurred for any Obligor or on behalf of any Obligor in order for such person to meet Bank's requirements in the Loan Documents, including, to the extent permitted by applicable Requirements of Law, all intangible personal property taxes, documentary stamp taxes, excise taxes and other similar taxes now or hereafter required to be paid in connection with the Loan. Borrower will also pay to Bank, on demand, any and all out of pocket costs and expenses incurred or paid by Bank and those incurred or paid on behalf of Bank in doing any one or more of the following: (1) in maintaining, protecting, preserving and enforcing Bank's liens and security interests in the Collateral, or in maintaining, repairing, restoring, preserving, protecting and safeguarding the Collateral, including all out of pocket costs and expenses incurred or paid in completing any construction related to the Collateral, completing furnishing of the Collateral, managing the Collateral or selling, transferring or otherwise disposing of the Collateral; (2) in collecting any amount due and owing under each one of and all of the Loan Documents; and (3) in undertaking or otherwise enforcing Bank's other rights and remedies hereunder and under the other Loan Documents with respect to the Collateral and the Indebtedness and other obligations evidenced or secured by any one or more of the Loan Documents, including enforcement of any and all of Borrower's or any other Obligor's performance obligations. All of the foregoing costs and expenses will be paid with interest thereon at the Contract Rate from the date paid or incurred by or on behalf of Bank until such costs and expenses are paid by Borrower. All sums so paid and expended by Bank, and the interest thereon, will be added to and be secured by Bank's liens and security interests in the Collateral.

### **General Terms**

This Agreement and the other Loan Documents, including the Note, are incorporated into each other and they are each a part of the other. All of the Loan Documents will be applied and enforced in harmony with and in conjunction with each other to the end that Bank realizes fully upon its rights and remedies in each and the liens and security interests created by each; and, to the extent conflicts exist between this Agreement and the other Loan Documents, they will be resolved in favor of Bank for the purpose of achieving the full realization of Bank's rights and remedies and the liens and security interests as aforesaid.

Borrower's and the other Obligors' representations and warranties to Bank in this Agreement and the other Loan Documents will be deemed continuing representations and warranties.

Borrower will indemnify, defend and hold harmless Bank Indemnitees from and against any and all Claims which may be asserted against, incurred or suffered by, or imposed or levied on Bank Indemnitees under, on account of or in relation to any of the Loan Documents, any transactions contemplated in or arising from or in connection with any of the Loan Documents or the enforcement of any of the terms of any of the Loan Documents, including any Claims from (1) a breach by Borrower or any other Obligor of any material warranty or representation made by Borrower or any other Obligor in this Agreement or any of the other Loan Documents, or any material warranty or representation made in this Agreement or any of the other Loan Documents being false or untrue in any material respect, (2) a breach by Borrower or any other Obligor of any material covenant or agreement made or given by Borrower or any other Obligor in this Agreement or any of the other Loan Documents, (3) suits, actions or other proceedings by any receiver, trustee in bankruptcy, debtor-in-possession or other person on account of any alleged preference or fraudulent transfer received or alleged to have been received from Borrower or any other person as the result of any transaction under any of the Loan Documents, or (4) suits, actions or proceedings to recover damages or other relief, whether legal or equitable, for any acts or omissions of any of the Bank Indemnitees (a) under any of the Loan Documents, (b) in the performance of

any rights or remedies of Bank against any Obligor, the Collateral or with respect to the Loan, or (c) on account of any transaction involving any of the Bank Indemnitees under or in relation to the Loan or any of the Loan Documents. Borrower's obligations under the indemnifications in this paragraph will not extend to Bank Indemnitees' gross negligence or willful misconduct. Borrower's obligations under the indemnifications in this paragraph will survive termination of this Agreement.

The recitals are part of this Agreement. All exhibits and other attachments to this Agreement are incorporated herein.

Bank may retain all of the Loan Documents in an electronic medium or other non-tangible medium that permits such records to be retrieved in a perceivable form.

This Agreement and all of the other Loan Documents will be governed by and construed in accordance with the laws of the State of Georgia, excluding, however, the conflict of law and choice of law provisions thereof.

To the extent permitted by law, Borrower waives any right to a trial by jury in any action arising from or related to any of the Loan Documents or any Indebtedness evidenced or secured by any of the Loan Documents.

All of Bank's rights and remedies under this Agreement and under the other Loan Documents and those available to Bank at law and in equity, may be exercised by Bank from time to time concurrently, alternatively, successively or cumulatively, as Bank elects; and unless otherwise specifically provided to the contrary herein, such rights and remedies may be exercised both before and after the occurrence of a Default.

No delay or forbearance by Bank in exercising any of its rights and remedies under this Agreement or under any of the other Loan Documents, or its rights and remedies otherwise afforded by law or in equity, will operate as a waiver thereof or preclude the exercise thereof at any subsequent time.

A waiver or postponement by Bank must be in writing to be effective against Bank. A waiver or postponement by Bank as to any matter will not constitute a waiver or postponement by Bank as to any other matter.

If any provision under this Agreement or any of the other Loan Documents is prohibited or invalid under any applicable laws, such provision will be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement or the other Loan Documents.

The terms and conditions of this Agreement may be changed only by an agreement in writing signed by Bank and Borrower, unless otherwise provided herein.

Borrower does hereby irrevocably constitute and appoint Bank its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to do or cause to be done such acts as Bank, in its sole discretion, deems necessary and advisable to effect the terms and conditions of this Agreement and the other Loan Documents at any time after the occurrence and during the continuance of an Event of Default, and to otherwise realize Bank's rights and remedies hereunder and thereunder, and the benefits provided to Bank herein and therein. The foregoing appointment is and the same will be coupled with an interest in Bank's favor.

Borrower may not assign this Agreement or any of the other Loan Documents, or any of Borrower's rights or obligations hereunder or thereunder.

Subject to the foregoing limitations on Borrower's right to assign and any other limitations on assignment in any of the other Loan Documents, the covenants, terms and conditions contained in this Agreement will bind, and the benefits and powers will inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto, including Bank's authorized representatives and any administrative or servicing agents for Bank or any holder of all or any part of the Note.

From time to time Bank may sell to one or more financial institutions or other Banks a participation in the Loan. Bank will not be under any obligation to disclose to Borrower or any other Obligor the fact that it is soliciting participations or that it has sold participations in the Loan. The sale of one or more participations in the Loan by Bank will not relieve Bank of its obligations under this Agreement and will not grant to Borrower or any other Obligor any greater rights relative to the Loan or under any of the Loan Documents, and it will not relieve Borrower or any other Obligor of any of their respective obligations on the Loan or under any of the Loan Documents. To the extent Bank sells participations in the Loan, when requested, Borrower will permit such participants to conduct any inspections and audits Bank is permitted to undertake under this Agreement with Bank or separate from Bank, and Borrower and the other Obligors will otherwise communicate with such participants with respect to the Loan and the Loan Documents, when requested to do so by Bank. In the event Bank sells participations in less than 100% of the Loan, the Bank shall at all times remain the agent for all the participating banks, and Borrower and any Obligors shall be entitled to correspond only with Bank, and may rely solely on Bank, as to all payments, communications, deliveries, notices and the like as required by the Loan Documents; Borrower and any Obligors shall not be required to communicate or otherwise initiate, accept or maintain any contact with any participating banks.

Bank may make such credit investigations and other investigations regarding Borrower and any other Obligors as Bank deems necessary or appropriate, including any investigations as may be necessary or advisable under applicable Requirements of Law. Unless otherwise prohibited by applicable Requirements of Law, Bank may disclose financial and other information concerning Borrower and any other Obligors to any person, including any of the following: Governmental Authorities; credit bureaus and other similar persons; Borrower's and any other

Obligors' other creditors or prospective creditors; Bank's Affiliates; Bank's authorized representatives and any administrative or servicing Agents for Bank; Bank's Affiliates' authorized representatives and any administrative or servicing Agents for Bank's Affiliates; any participant or prospective participants, and to any assignee, or prospective assignee, of the Loan or any part or parts thereof, and the authorized representatives and any administrative or servicing Agents for such persons.

All notices and other communications under this Agreement will be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses of the parties as set forth in this Agreement. Borrower and Bank may, by written notice given hereunder, designate a different address where communications should be sent and Bank may direct, by notice to Borrower, for communications to be sent electronically or in some other non-tangible medium.

This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which will constitute one and the same agreement, and in making proof of this Agreement, it will not be necessary to produce or account for more than one such counterpart. A facsimile or other electronic signature or acknowledgement will be an acceptable form of signature or acknowledgement and will be deemed an original signature or acknowledgement for all purposes.

Time is of the essence for the performance of all of Borrower's and the other Obligors' respective covenants and agreements set forth in this Agreement and in each of the other Loan Documents.

### **Term of Agreement**

This Agreement will become effective on the Effective Date and will continue in full force and effect until the last to occur of: (1) full and final payment of the Loan and all other Indebtedness now owing and which may in the future be owing to Bank under each one of and all of the Loan Documents; (2) the full and final satisfaction of Borrower's obligations, and those of any other Obligor, under each one of and all of the Loan Documents; and (3) termination of Bank's funding and other financial obligations, if any, under this Agreement and the other Loan Documents. Termination of this Agreement will not terminate any of Borrower's or any other Obligor's payment or performance obligations under this Agreement or any of the other Loan Documents that are intended to survive such termination. If Bank is required to return or repay any payments made on the Loan or any of the other Indebtedness evidenced or secured by any of the Loan Documents, whether before or after termination of this Agreement or any of the other Loan Documents, the Indebtedness intended to be satisfied by such returned or repaid

payments will be revived and continued in full force and effect as if said returned or repaid payments had not been made, and this Agreement and the other Loan Documents will continue to be effective or reinstated, as the case may be, as to such returned or repaid payments.

[Signatures Appear on the Following Page]

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**EXECUTED** by the undersigned under SEAL as of the Effective Date.

**BANK:**

RBC BANK (USA)

By: /s/ Brendan McGuire (SEAL)  
Name: Brendan McGuire  
Title: Senior Vice President

**BORROWER:**

GES – PORT CHARLOTTE, LLC

By: LIME ENERGY ASSET DEVELOPMENT, LLC, its sole member and manager

By: /s/ Eric Dupont (SEAL)  
Name: Eric Dupont  
Title: President

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**Attachment 1 to Loan Agreement**

**Definitions**

“**Affiliate**” means, with respect to any person, any person that owns or controls directly or indirectly such person, any person that controls or is controlled by or is under common control with such person, and each of such person’s senior executive officers, directors, members and partners, and for purposes of this definition only, “control” and derivations thereof means with respect to any person, either (i) ownership directly or indirectly of 49% or more of all equity interests in such person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, by contract or otherwise.

“**Agreement**” means this Agreement.

“**Asset Disposition**” means the disposition of any or all of the assets (including, without limitation, any capital stock owned thereby) of any Obligor or any Subsidiary thereof whether by sale, lease, transfer or otherwise, and any issuance of capital stock by any Subsidiary of the Borrower to any person that is not an Obligor or any Subsidiary thereof. The term “Asset Disposition” shall not include (a) any Equity Issuance, (b) the sale of inventory in the ordinary course of business, (c) the write-off, discount, sale or other disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing

transaction, (d) dispositions of investments in cash and cash equivalents, and (f) the transfer of any asset from one Obligor to another Obligor for reasonably equivalent consideration.

“**Bank**” means RBC Bank (USA), a North Carolina banking corporation, its successors and assigns, whether by assignment, transfer, merger, acquisition of the stock or assets of RBC Bank (USA) or otherwise.

“**Bank Indemnitees**” means Bank, inclusive of Bank’s shareholders, directors, officers and employees, and Bank’s authorized representatives; and, a reference in this Agreement and the other Loan Documents to “Bank Indemnitees” is to each one of the Bank Indemnitees, any combination of the Bank Indemnitees or all of the Bank Indemnitees, as the context requires for the purposes of effecting the provisions of this Agreement in which the term is used without having to qualify the term “Bank Indemnitees” with “each”, “any”, “all” or similar words.

“**Best Efforts**” means the efforts that a prudent person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which banks in the jurisdiction whose laws govern this Agreement are authorized or required to close.

“**Capitalized Leases**” means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

“**Change in Control**” means any one or more of the following: (1) in the event a person or any of its general partners or members is a corporation or trust, the sale, conveyance, transfer or disposition of more than 10% of the issued and outstanding capital stock of such person, any of its general partners or any of its members, or of the beneficial interest of such trust (or the issuance of new shares of capital stock in such person or any of its general partners or members so that immediately after such issuance the total capital stock then issued and outstanding is more than 10% of the total immediately prior to such issuance); and (2) in the event a person or any general partner or member of such person is a limited or general partnership, a joint venture or a limited liability company, a change in the ownership interests in any general partner, any joint venturer or any member, either voluntarily, involuntarily or otherwise, or the sale, conveyance, transfer, disposition, alienation, hypothecation or encumbering of all or any portion of the interest of any such general partner, joint venturer or member in such person or such general partner or member (whether in the form of a beneficial, partnership or membership interest or in the form of a power of direction, control or management, or otherwise). A “Change in Control” also means a change in the voting control of 10% of the issued and outstanding equity interests in a person, whether such change in voting control is through a voting trust, power-of-attorney, guardianship, custodianship, receivership, insolvency, bankruptcy or other method. Notwithstanding the foregoing a “Change in Control” will not include the following

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(each a “permitted change in control”): (a) transfers of limited partnership interests in an Obligor or in any general partner or member of an Obligor, provided written notice of such transfers is given to Bank within ten (10) days of the effective date of any transfer, and (b) any involuntary transfer caused by the death of any general partner, member, shareholder, joint venturer, or beneficial owner of a trust so long as the relevant Obligor is promptly reconstituted or other arrangements are made following such death that are acceptable to Bank and with respect to the events described in (a) and (b), so long as those persons responsible for the management of the Collateral remain unchanged as a result of such voluntary transfers or deaths, or if replacement management is necessary because of a death, it is in place and approved by Bank within four (4) months following a death.

“**Claims**” means any and all claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, awards, settlements, satisfactions, remedial response or action, including costs of environmental clean-up, disbursements and costs and expenses of any kind or nature whatsoever, whether arising under or in connection with any of the Loan Documents, under any Requirements of Law or otherwise, that may now or hereafter be suffered or incurred by, or imposed or levied on, a person and whether suffered or incurred in, or imposed or levied on or as a result of any investigation, litigation, arbitration or other judicial or non-judicial proceeding or any appeals related thereto, or any settlements, compromises or satisfactions related thereto.

“**Collateral**” means the existing and after-acquired property and property rights described on Attachment 2, any Disbursements that may be placed or deposited now or in the future into an escrow account with Bank as provided or contemplated in the Section of this Agreement entitled “Conditions to Funding”, and all other existing and after-acquired property and property rights in which liens and security interests have been granted or may in the future be granted to secure the Loan and the other Indebtedness and obligations now or hereafter evidenced by and arising under any one or more of this Agreement, the other Loan Documents and any transactions related to this Agreement or any of the other Loan Documents, together with the proceeds, products, accessions, additions, replacements and substitutions thereto and thereof.

“**Collateral Assignments**” means the collateral assignments, chattel mortgage and security agreements granting to Bank perfected first lien security interests in (1) all material contracts relating to the Premises, including, but not limited to the Site Lease Agreement, the Management Agreement, the Landfill Gas Purchase Agreement, the Utility and Infrastructure Easement Agreement, the Small Generator Interconnection Agreement, and the Renewable Energy Power Purchase Agreement [insert others as needed], (2) all rights relating to rents, issues and profits from the Land Fill Energy Facility, (3) all Personalty, (4) all licenses and permits and (5) any other property or property rights identified herein as being subject to a Collateral Assignment.

“**Contract Rate**” means the contract rate at which interest accrues from time to time on the Note, and if interest accrues at different contract rates, any one of the contract rates which interest accrues as selected by Bank, in its sole discretion, which rate may be fixed or variable.

“**Debt Service**” means the sum of (a) the total of principal and interest payments on Funded Debt (excluding Excess Cash Flow Mandatory Prepayments), plus (b) any cash dividends or distributions to shareholders or members of Borrower (excluding permitted distribution made pursuant to the Treasury Grant).

“**Debt Service Coverage Ratio**” means for the period of determination, the ratio of (a) EBITDA, less cash taxes and unfunded capital expenditures to (b) Debt Service.

“**Default**” or “**Event of Default**” means any of the events or conditions described above in the Section entitled “Default” and means any other event or condition described or identified in this Agreement or any of the other Loan Documents as a default or an event of default under this Agreement or any of the other Loan Documents.

“**Disbursement**” means a disbursement of Loan proceeds.

“**EBITDA**” means Borrower’ s total earnings, plus, to the extent deducted in determining earnings, (i) Interest Expense, (ii) income and cash taxes, and (iii) depreciation and amortization expenses.

“**Equity Issuance**” means (a) any issuance by any Obligor thereof to any person that is not an Obligor or a Subsidiary thereof, of (i) shares of its capital stock, (ii) any shares of its capital stock pursuant to the exercise of options or warrants or (iii) any shares of its capital stock pursuant to the conversion of any debt securities to equity and (b) any capital contribution from any Person that is not an Obligor into any Obligor or any Subsidiary thereof.

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“**Excess Cash Flow**” means “Excess Cash Flow” means for any annual period of determination, an amount equal to fifty percent (50%) of EBITDA less cash taxes paid, less Debt Service, and less up to \$10,000 in capital expenditures as shown on the annual financial statements for such annual period, furnished to Bank in accordance with this Agreement; or in the event that Borrower fails to deliver such financial statements to Bank as and when required, or Bank determines in the exercise of its good faith and reasonable discretion, that such financial statements do not accurately reflect Borrower’ s financial position for the period covered, Bank shall estimate, in its sole and absolute discretion, the amount of Excess Cash Flow for such period.

“**Funded Debt**” means, at any time, all obligations for borrowed money which bear interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all Capitalized Lease obligations and all obligations secured by purchase money security interests.

“**Funding Date**” means any date that proceeds are disbursed to Borrower under Loan, and the initial Funding Date may occur on a date different than the Effective Date.

“**GAAP**” means generally accepted accounting principles.

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, any quasi-governmental authority or body, and any person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“**Ground Lease**” means the lease between Borrower and Ground Lessor, and any extensions, renewals and modifications thereto, and any substitutions therefore.

“**Ground Lessor**” means Charlotte County, Florida.

“**Guaranty**” means the Unconditional Guaranty Agreements executed jointly and severally on the Closing Date by each Guarantor.

“**Guarantor**” means Lime Energy Co., a Delaware corporation or Lime Energy Asset Development, LLC, a Delaware limited liability company as the case may be, and “**Guarantors**” means collectively, Lime Energy Co., a Delaware corporation and Lime Energy Asset Development, LLC, a Delaware limited liability company.

“**Indebtedness**” means with respect to any person, any and all of the following indebtedness, obligations and liabilities, together with any and all renewals, extensions, modifications, amendments, changes, consolidations, replacements or substitutions thereof or therefor, whether jointly with others or individually, as a debtor, maker, co-maker, drawer, endorser, guarantor, surety or otherwise, and whether voluntarily or involuntarily incurred, due or not due, absolute or contingent, direct or indirect, liquidated or unliquidated: (i) all indebtedness, obligations and liabilities of such person for money borrowed; (ii) all indebtedness, obligations and liabilities of such person for the acquisition of property; (iii) all indebtedness, obligations and liabilities secured by any lien on the property of such person whether or not such indebtedness, obligations and liabilities are the personal obligation of such person; (iv) all indebtedness, obligations and liabilities of such person by way of endorsements (other than for collection or deposit of negotiable instruments in the ordinary course of business); (v) all indebtedness, obligations and liabilities of such person under agreements relating to derivatives transactions (e.g. interest rate swaps, caps, floors or collar transactions, or other similar transactions made pursuant to an International Swap Dealers Association, Inc. Master Agreement or similar agreement); (vi) all contingent obligations; (vii) all capitalized leases; (viii) all synthetic leases; (ix) all other items which in accordance with GAAP are classified as liabilities on a balance sheet, provided, however, with respect to the foregoing, “Indebtedness” will not include (1) any consumer credit as defined under the Federal Reserve Board’s Regulation Z (Truth-in-Lending)(12 CFR 226 et. seq.) and (2) current casualty or liability insurance premiums that are in the ordinary course of business of Borrower financed by a third-party in the business of financing insurance premiums.

“**Improvements**” means all buildings and improvements of the Borrower now or hereafter located on the Premises, including, without limitation, the Land Fill Energy Facility.

“**Interest Expense**” means the total of the costs of advances outstanding under Funded Debt during that period, including (i) interest charges, (ii) capitalized interest, (iii) the interest component of Capitalized Leases, (iv) fees

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payable in respect of letters of credit and letters of guarantee, and (v) discounts incurred and fees payable in respect of bankers’ acceptances.

“**Land**” means the real property located in Charlotte County, Florida and more fully described in the Mortgage, together with (i) all buildings and other improvements now located thereon and all buildings and improvements located thereon in the future and (ii) all rights now or in the future appurtenant thereto.

“**Land Fill Energy Facility**” means the landfill facility located in Charlotte County, Florida which is operated to convert methane gas from the Zemel Road Landfill into electricity.

“**Landfill Gas Purchase Agreement**” means that certain landfill gas purchase agreement dated July 22, 2008 by and between the Ground Lessor and North American Natural Resources-Southeast, L.L.C., which has been assigned to Borrower on January 21, 2009.

“**Leases**” means all present and future leases, rental agreements and other demising agreements with respect to any one or more of the Land, Personalty and Rents, or any part or parts thereof or interests therein, now existing or hereafter made, executed and delivered (whether written, electronic or verbal), and all present and future extensions, renewals, modifications and amendments thereof, and substitutions and replacements therefor and all present and future security deposits and escrows related thereto.

“**Loan**” refers to the loan made pursuant to this Agreement and evidenced by the Note.

“**Loan Amount**” means the loan amount stated in the Section of this Agreement entitled “Loan” and if more than one loan is made pursuant to this Agreement, the term can reference the loan amount for one loan, any combination of, or all of the loans, as the context so requires.

“**Loan Documents**” means this Agreement, the Note, the Mortgage, the Security Agreement, the Collateral Assignments, the Pledge Agreement, the financing statements and any other instruments, agreements, statements, reports, opinions, resolutions, certifications, affidavits, documents and records now or hereafter evidencing the Loan, securing the Loan or delivered or furnished in connection with the Loan, which may include deeds to secure debts, security deeds, mortgages, deeds of trust, assignments, security agreements, pledge agreements, guaranty agreements, control agreements, collateral assignments, financing statements, opinions, resolutions, certifications, affidavits and rate management agreements. A reference to the Loan Documents includes each one of and all such documents as amended, modified, extended, renewed, supplemented, restated, substituted or replaced from time to time, whether in whole or in part.

“**Mortgage**” means that certain Mortgage of even date herewith from Borrower in favor of Bank, which encumbers Borrower’ s leasehold interest in the Premises, together with all Improvements thereon.

“**Note**” means the promissory note or promissory notes of Borrower in favor of Bank evidencing the Loan, and if more than one loan is extended pursuant to this Agreement, the term can reference one, any combination of, or all of the promissory notes, as the context so requires. The “Note” is sometimes referred to in the other Loan Documents as the “Obligations”, which is a reference in those documents to the Loan (i.e., the Indebtedness) and the Note (i.e., the evidence of the Indebtedness), as the context requires.

“**Obligors**” means Borrower and the Guarantors and other supporting obligors and all other persons that are or may be liable for the payment of all or any part of the Loan or any other Indebtedness or other obligations of Borrower or any Guarantor or other supporting obligor under this Agreement or any of the other Loan Documents.

“**Permitted Liens**” means liens, encumbrances, easements and other matters listed as exceptions to the final Title Policy and approved in writing by Bank, together with: (a) liens securing the Indebtedness permitted hereby; (b) inchoate liens for taxes and other statutory liens, landlord’ s liens and similar liens arising out of operation of law so long as the obligations secured thereby are not past due or are being contested and the proceedings contesting such obligations have the effect of preventing the forfeiture or sale of the property subject to such lien; (c) liens for deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance, social security and similar laws; (d) attachment, judgment and other similar non-tax liens not constituting an Event of Default; (e) liens in the nature of easements or other similar encumbrances or restrictions (not securing

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Indebtedness) on the use of Borrower’ s properties, so long as such liens do not materially impair Borrower’ s use of such property; (f) Liens in favor of the Bank; and (g) Liens not to exceed Fifty Thousand Dollars (\$50,000) in the aggregate (A) upon or in any equipment acquired or held by Borrower to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, or (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment.



**“Personalty”** means all furnishings, fixtures, equipment, inventory and other tangible personal property now owned and all of the foregoing which may be hereafter acquired by Borrower, that are or may be in the future incorporated into, made a part of, attached to, located under, on or above, contained in, or used in connection with the Land or any portion thereof or appurtenances thereto, wherever located, whether in Borrower’s possession and control, in transit or in storage and all replacements thereof, all articles in substitution therefor and all accessions thereto, whether or not the same are or will be attached to the Land in any manner, together with all accounts, promissory notes and other instruments, chattel paper (both tangible and electronic), contracts and contract rights, documents, deposit accounts, monies, investment property, financial assets and general intangibles of every nature and kind related to, used in connection with or arising out of or from the foregoing furnishings, fixtures, equipment and other tangible personal property, both now owned and all of the foregoing which may be hereafter acquired by Borrower, and all property described in the Collateral Assignments to the extent the same constitutes personal property, together with proceeds and products of all the foregoing and books and records related to all of the foregoing.

**“Pledge Agreement”** means that certain pledge agreement of even date herewith from Lime Energy Asset Development, LLC in favor of Bank.

**“Premises”** is a term sometimes used in this Agreement to refer to the Land and the Personalty that is tangible in nature.

**“Rents”** means all present and future rents, issues, profits, revenues, royalties, accounts, moneys, rights and other benefits arising from, related to and otherwise connected to or flowing from all, or any part or parts of any one or more of the Land, Personalty and Leases, or interests therein.

**“Renewable Energy Power Purchase Agreement”** means that certain renewable energy power purchase agreement dated February 14, 2011 between Orlando Utilities Commission and Borrower.

**“Requirements of Law”** means any law, treaty, rule, regulation, ordinance, determination of an arbitrator, order of a court or determination, advisory opinion, order, guideline, finding or requirement of any other Governmental Authority, as amended, supplemented and in effect from time to time, in each case applicable to and binding upon such person or any of its properties or to which such person or any of its properties is subject, either individually or jointly with another person or persons.

**“Responsible Officer”** means the chief financial officer of Borrower.

**“Security Agreement”** is an agreement separate from any of the other Loan Documents and means the agreement that grants to Bank a UCC security interest in the Collateral. The Security Agreement, if one, will supplement the security interest granted in the Collateral by this Agreement and any of the other Loan Documents, including the Mortgage – which includes a security agreement/grant of a security interest in the Collateral.

**“Small Generator Interconnection Agreement”** means that certain small generator agreement between Florida Light and Power and Borrower dated February 10, 2011.

**“Site Lease Agreement”** means that certain site lease agreement dated July 22, 2008 between the Ground Lessor and North American Natural Resources-Southeast, L.L.C., which was assigned to Borrower on January 21, 2009.

**“Subsidiary”** means any corporation, limited liability company, partnership or other entity, the majority of the voting ownership of which at the time are owned directly by Borrower and/or by one or more Subsidiaries of Borrower

**“Treasury Grant”** means those certain payments made to Borrower under Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 by, or on behalf of, the United States Department of the Treasury.

“**Utility and Infrastructure Easement Agreement**” means that certain Utility and Infrastructure Agreement between the Ground Lessor and Borrower dated November 8, 2010.

### **Use And Application Of Terms**

In using and applying the various terms, provisions and conditions in this Agreement and the other Loan Documents, the following will apply: (1) words in the neuter gender mean and include correlative words of the feminine and masculine genders and words importing the singular numbered meaning include the plural number or a collective reference, and vice versa; (2) as the context requires, “and” may have a joint meaning or a several meaning and “or” may have an inclusive meaning or an exclusive meaning; (3) the word “all” includes “any” and the word “any” includes “all”; (4) the words “include” or “including” will mean “without limitation”; (5) words importing persons include individuals and Organizations, and “third person” and “third party” are synonymous and they reference a person other than an Obligor or Bank; (6) the words “attorney” and “counsel” are interchangeable in this Agreement and the other Loan Documents; (7) the phrase “costs and expenses”, or variations thereof, will include fees of receivers or other similar officials, reasonable attorneys’ fees and fees of legal assistants, reasonable fees of accountants, engineers, surveyors, appraisers and other professionals or experts, and the costs and expenses incurred by any of the foregoing, whether in the investigation, prosecution or defense of any matter or otherwise, and inclusive of fees, costs and expenses of the foregoing incurred in connection with and during the pendency of any Obligor’ s reorganization, receivership, insolvency or bankruptcy; (8) any reference to the “Collateral” includes, as the context requires, all of the Collateral, part or parts thereof and interest or interests therein; (9) the term “contract” includes any and all leases, licenses, franchise agreements, occupancy agreements, use agreements, condominium agreements, covenants, restrictions, property owner’ s association agreements and other contracts and agreements Borrower enters into or is subject to from time to time with respect to the Collateral, or that the Collateral is subject to from time to time; (10) the term “financial statements” will include the accompanying notes and schedules; (11) any reference to “the other Obligors”, “any other Obligors” or similar references will be to the other Obligors, if there are any (i.e., “if any” will not be repeated each time there is a reference to an Obligor who is not, or Obligors who are not, Borrower); (12) any reference to “rights and remedies”, or any variations thereof, will include, as the context requires, rights, authority, powers, benefits, privileges and remedies; (13) all accounting terms used in this Agreement will be construed in accordance with GAAP and all calculations will be made in accordance with GAAP; (14) all references to the time of day will mean the time of day on the day in question in Atlanta, Georgia, unless otherwise expressly provided in this Agreement; (15) for Obligors and other persons who are Organizations, when any action is required or permitted to be taken, it is intended that the same will be undertaken through duly authorized employees or representatives of such person, or a partner, member, manager, officer or director, and any action taken by any of the foregoing persons will be presumed authorized absent a clear and convincing showing that the person relying on such action knew or should have known that the person acting was exceeding such person’ s authority; and (16) the section titles, any table of contents and any list of exhibits or schedules appear as a matter of convenience only and will not affect the interpretation of this Agreement, and any reference to a section or paragraph includes the referenced section or paragraph and any part or subparts to that section or paragraph.

### **Additional Terms And Conditions**

**Searches.** Bank shall have received current UCC-11 search results from such local and state filing offices as Bank may request, each showing no liens and security interests against any of the Collateral described in the Loan Documents.

**Title Insurance Commitment.** Bank shall have received the Title Policy, or the Title Insurance Commitment, with respect to the Premises issued by the Title Insurance Company, and such Title Policy, or Title Insurance Commitment, (1) shall have deleted, or shall have been marked to delete, all exceptions other than Permitted Encumbrances, (2) shall meet or have satisfied all requirements requested by Bank and (3) shall contain such endorsements as Bank deems appropriate (*e.g.*, access, comprehensive). Without limiting the foregoing, but in addition thereto, the Title Policy, or marked up Title Insurance Commitment, shall insure in an amount up to the Loan Amount, Bank’ s first lien and security interest in the Borrower’ s leasehold interest and all Improvements in the Premises, subject only to the Permitted Encumbrances and such other matters as Bank may approve; and Bank’ s first lien and security interest in the leasehold interest and in the Improvements , shall be insured as superior and

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prior to any and all mechanic’ s liens and materialmen’ s liens which may be filed in the future relative to the leasehold interest and the Improvements.

Survey. Borrower shall have delivered to Bank four copies of a recent survey or surveys of the Premises by a registered land surveyor, together with a surveyor's certificate with respect to such survey (if required by Bank) sufficient to cause the Title Company to delete the standard survey exception from the title policies.

Environmental Questionnaire. Borrower shall have completed and delivered to Bank one or more environmental questionnaires on a form supplied by Bank related to the Premises. The completed questionnaire shall contain answers to the questions in the questionnaire that are satisfactory in all respects to Bank.

Licenses and Permits. Bank shall be provided with copies of all material licenses and permits for the operation of the Land Fill Energy Facility.

Flood Hazards. Bank shall have received evidence that the Improvements are not located within an area identified as having "special flood hazards" as such term is used in the federal Flood Disaster Protection Act of 1973.

Insurance. Borrower shall have delivered to Bank evidence that Borrower has obtained each of the insurance policies required under the Mortgage, together with satisfactory evidence of premium payments.

Current Financial Statements. Borrower and each Guarantor shall have delivered to Bank complete and current financial statements, all in a form satisfactory to Bank.

Taxpayer Identification Number. Borrower and each Guarantor shall have supplied to Bank their respective federal taxpayer identification numbers or social security numbers, as appropriate.

Authority Documents. Bank shall have received from Borrower and Guarantors, documents evidencing Borrower's and such other persons' respective authority to enter into this Loan, such documents to include:

certified copies of the Articles of Incorporation, Certificate of Limited Partnership or Articles of Organization (as applicable); certificate of existence or good standing from the applicable Governmental Authorities; certified copies of operating agreements (e.g., bylaws, operating agreement, partnership agreement), together with all amendments thereto; and certified copies of the resolutions authorizing the Loan and the execution and delivery of the Loan Documents.

Attorney's Opinion. Borrower's counsel shall have delivered to Bank its written opinion regarding the organization and operation of Borrower and each Guarantor, the enforceability of the Loan Documents and such other matters as Bank may reasonably request, such opinion to be in all respects satisfactory to Bank and its counsel.

Consents of Crowder Construction Company and Orlando Utilities Commission. Borrower shall have delivered to Bank consents to the Collateral Assignments from Crowder Construction Company and Orlando Utilities Commission.

Contracts. Bank shall have received a true and exact copy of the Site Lease Agreement, the Landfill Gas Purchase Agreement, the Utility and Infrastructure Easement Agreement, the Small Generator Interconnection Agreement, and the Renewable Energy Power Purchase Agreement.

Consents and Approvals. Bank shall have received true and exact copies of any other consents and approvals of all persons required in order for Borrower to occupy and utilize the Improvements on the Premises for its intended purpose and to comply with all of the terms of the Loan Documents.

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Compliance with Laws. Bank shall have received evidence that the Premises, and the intended uses of the Premises are in compliance with all applicable Requirements of Law and other restrictions and requirements applicable to the Premises. The evidence of compliance may include letters, licenses, permits, certificates and other correspondence from the appropriate Governmental Authorities. The Requirements of Law and

other restrictions and requirements with which compliance and evidence of compliance will be necessary include, without limitation, the following: building codes, private building restrictions and covenants, safety, health and environmental protection laws (to include those relating to air and water quality, and those relating to mold and other fungi), disability accessibility and other local barrier laws, erosion control ordinances, doing business laws, licensing laws and zoning laws (the evidence submitted as to zoning should include the zoning designation made for the Land, the permitted uses of the Land under such zoning designation and zoning requirements as to parking, lot size, ingress, egress and building setbacks).

Ground Lease. A fully executed copy of the Ground Lease in form and substance acceptable to Bank, which Ground Lease must be subordinate to the Mortgage and all of the other Loan Documents.

Estoppel Certificate and Agreement. Estoppel Certificate and Agreement from the Ground Lessor in a form and substance satisfactory to Bank.

Single Purpose Entity. Borrower represents, warrants and covenants to and in favor of Bank as follows: (1) Borrower does not own and will not own any real, personal or mixed real and personal property other than the Collateral and incidental personal property necessary for the ownership or operation of the Collateral; (2) Borrower will not engage in any business other than the ownership, management and operation of the Collateral and Borrower will conduct and operate its business as presently conducted and operated or as presently contemplated, as shown in Bank's records; (3) Borrower will not enter into any contract or agreement with any other Obligor or any Affiliate of Borrower or any other Obligor, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with non-affiliated third parties; (4) Borrower will not do or undertake to be done, and Borrower will not permit any other Obligor or any Affiliate of Borrower or any other Obligor to do or undertake to be done, anything that would adversely affect Borrower's existence as a single-purpose entity; (5) Borrower will maintain books and records, as well as bank accounts, separate from those of the other Obligors and all Affiliates of Borrower or the other Obligors, and Borrower will file its own tax returns; (6) Borrower will be, and at all times will hold itself out to the public as, an Organization separate and distinct from any other Organization; (7) Borrower is and will remain solvent and Borrower will pay its Indebtedness from its assets, as the same become due; (8) Borrower will maintain adequate capital for the normal Indebtedness and other obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (9) Borrower will not commingle the funds and other assets of Borrower with those of any other Obligor, any Affiliate of Borrower or any other Obligor or any other person; and (10) Borrower does not and will not hold itself out to be responsible for the Indebtedness of any other person, except as otherwise provided in the Loan Documents or otherwise approved in advance and in writing by Bank.

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### **Collateral Description**

All of Borrower's Accounts, Inventory, Chattel Paper, Documents, Instruments, Equipment, Investment Property, and General Intangibles and all of Borrower's deposit accounts with any financial institution with which Borrower maintains deposits, whether now owned or existing or hereafter acquired or arising, (b) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to an Account or Chattel Paper, (c) all insurance policies relating to the foregoing, (d) all books and records in whatever media (paper, electronic or otherwise) recorded or stored, with respect to the foregoing and all Equipment and General Intangibles necessary or beneficial to retain, access and/or process the information contained in those books and records; and (e) all Proceeds and products of the foregoing. Borrower further agrees that Bank shall have in respect thereof all of the rights and remedies of a secured party under the UCC as well as those provided in this Agreement, under each of the other Loan Documents and under applicable Laws.

In addition, the Loan will be secured by a first lien and security interest in the Premises, including without limitation (a) the Improvements of the Premises, (b) the Personalty of the Premises, (c) all leases relating to the Premises of the Premises and all rents, issues and profits arising out of or related to the Premises, (d) all agreements and documents relating to the use of the Premises, (e) all licenses and permits relating to any one or more of the Land, the Improvements and the Personalty of the Premises, (f) all other property and property rights described in any one or more of the Mortgage, the Collateral Assignments of the Premises and any of the other Loan Documents, and (g) all proceeds, products, accessions, additions, replacements and substitutions of or to the foregoing property and property rights.

## **Permitted Liens**

(a) Liens for taxes which are not delinquent or which Bank has determined in the exercise of its sole and absolute discretion (i) are being diligently contested in good faith and by appropriate proceedings, and such contest operates to suspend collection of the contested taxes and enforcement of a Lien, (ii) Borrower has the financial ability to pay, with all penalties and interest, at all times without materially and adversely affecting Borrower, and (iii) are not, and will not be with appropriate filing, the giving of notice and/or the passage of time, entitled to priority over any Lien of Bank; (b) deposits or pledges to secure obligations under workers' compensation, social security or similar laws, or under unemployment insurance in the ordinary course of business; (c) Liens securing the Indebtedness; and (d) judgment liens to the extent the entry of such judgment does not constitute a Default or an Event of Default under the terms of this Agreement or result in the sale or levy of, or execution on, any of the Collateral.

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RBC Bank

**Commercial Promissory Note**  
(Variable Rate - NPF)

\$3,600,000

Atlanta, Georgia  
October 31, 2011

Documentary stamp tax in the amount of \$12,600.00 and intangibles tax in the amount of \$7,200.00 have been paid in connection with the Mortgage securing this Note, recorded in Charlotte County, Florida.

**FOR VALUE RECEIVED**, the undersigned (whether one or more, "Borrower") promises to pay to RBC BANK (USA) ("Bank"), or order, the principal sum of Three Million Six Hundred Thousand Dollars (\$3,600,000), together with interest, fees, premiums, charges and costs and expenses as set forth in this Note. Payments by Borrower under this Note will be made as provided in this Note and will be payable at any banking office of Bank in the city or town indicated above, or such other place as the holder of this Note may designate.

**Interest Rates**

Except as provided below, prior to maturity of this Note, interest will accrue on the unpaid principal of this Note at an interest rate per annum equal to 5.0% plus the LIBOR Base Rate. The "LIBOR Base Rate" is the London Interbank Offer Rate for U.S. Dollars for a term of one month which appears on Bloomberg Professional screen BBAM (or any generally recognized successor method or means of publication) as of 11:00 a.m., London time, two (2) London business days prior to the day on which the rate will become effective. The rate for the first month or part thereof will initially become effective on the date of the Note as shown on the face hereof. Thereafter, the rate will change and a new rate will become effective on the first calendar day of each succeeding month. If for any reason the London Interbank Offer Rate is not available, then the "LIBOR Base Rate" shall mean the rate per annum which banks charge each other in a market comparable to England's Eurodollar market on short-term money in U.S. Dollars for an amount substantially equivalent to the principal amount due under this Note as determined at 11:00 A.M., London time, two (2) London business days prior to the day on which the rate will become effective, as determined in Bank's sole discretion. Bank's determination of such interest rate shall be conclusive, absent manifest error.

Upon the occurrence of an event of default under this Note, but prior to maturity of this Note, at Bank's option, interest will accrue on the unpaid principal of this Note at the Default Rate. After maturity of this Note, until this Note is paid in full, interest will accrue on the unpaid principal of this Note, and all unpaid interest, fees, premiums, charges and costs and expenses, at the Default Rate. The Default Rate will be an interest rate per annum equal to 9.0% plus the LIBOR Base Rate.

This is a variable rate note. The rates at which interest accrues under this Note may change from time to time. Any changes in the interest accrual rates will equal changes in the variable rate index to which such interest rates are tied. Bank will not have any obligation to notify Borrower of adjustments in any interest rates under this Note or any of the other Loan Documents. Adjustments to any rate of interest will be effective on the first day of next month.

All interest payable under this Note will be calculated monthly and will accrue daily on the basis of the actual number of calendar days elapsed and a year of three hundred sixty (360) calendar days. All accrual rates of interest under this Note will be contract rates of interest, whether a pre-default rate or a default rate, and references to contract rates in any Loan Documents executed and delivered by Borrower or others to Bank in connection with this Note will be to such contract rates.

**Payment Terms**

Prior to maturity of this Note, each advance of principal under this Note shall be repaid in sixty monthly payments of principal and interest which would repay such advance based on a twenty year amortization, commencing on November 30, 2011, and continuing on the last day of

each calendar month thereafter until October 31, 2016, when one final payment of the entire balance of principal, interest, fees, premiums, charges and costs and expenses then outstanding on this Note will be due and payable in full.

If Borrower has authorized Bank, or in the future authorizes Bank, in writing, to automatically draft Borrower's payments under this Note, then on each payment date Bank will draw or debit from the demand deposit account or other account Borrower has designated for such purpose, as shown on Bank's records, the amount of the payment then owing, and Bank will draw or debit from such designated account any other amounts Borrower then owes Bank under this Note and under any of the other loan documents. Bank generally will provide Borrower approximately ten (10) calendar days prior notice of each draw or debit, but Bank's failure to provide Borrower prior notice will not limit, negate or otherwise affect Bank's right to draw or debit, or Borrower's obligation to have sufficient available funds on deposit at the time Bank draws or debits Borrower's account. Bank's right to draw upon or debit Borrower's account will not relieve Borrower of its repayment obligations under this Note and the other loan documents, and the lack of available funds to pay the amount due at the time Bank draws upon or debits Borrower's account will be an event of default under this Note.

Payments made under this Note will be applied in such order as Bank, in its discretion, determines appropriate, unless applicable law mandates a specific order for application of payments. Payments received on a day other than a business day will be deemed received by Bank on the immediately following business day and payments received after 2:00 p.m. (local time in the place designated above for payment) on any business day will be deemed received by Bank on the next business day.

This Note may be prepaid in whole, or in part, at any time without any fee or premium. [At the time of any prepayment, Bank will have the right to demand Borrower pay Bank any premiums and any costs and expenses incurred or reasonably expected to be incurred by Bank in connection with any derivatives transaction (e.g. interest rate swap, cap, floor or collar transaction, or other similar transaction made pursuant to an International Swap Dealers Association, Inc. Master Agreement or similar agreement) or the termination thereof entered into in connection with this Note or Borrower's obligations hereunder. Borrower agrees to pay to Bank the amount of such premiums and costs and expenses upon presentation by Bank of a statement of the amount and setting forth Bank's calculation thereof, all in reasonable detail, which statement will be deemed true and correct absent a clear and convincing showing of bad faith or manifest error.

### **Supporting Documents**

Borrower and Bank have entered into a loan agreement, of even date herewith. The terms of the loan agreement are incorporated into this Note.

This Note is secured by the security documents. The security documents include, without limitation, (a) a Mortgage of even date herewith from the Borrower in favor of the Bank ("Mortgage") and (b) a Security Agreement of even date herewith between the Borrower and the Bank ("Security Agreement").

### **Late Charges and Expenses**

Borrower agrees to pay, upon demand by Bank, for each payment past due for fifteen (15) or more calendar days, a late charge in an amount equal to the lesser of (1) five percent (5%) of the amount of the payment past due or (2) the maximum percentage of the payment past due permitted by applicable law, or the maximum amount if not expressed as a percentage.

If this Note is not paid in full whenever it becomes due and payable, Borrower agrees to pay all of Bank's costs and expenses of collection, including reasonable attorneys' fees. Borrower hereby stipulates that reasonable attorneys' fees will be ten percent (10%) of the balance of principal, interest, fees, premiums, charges and costs and expenses outstanding at the time this Note becomes due and payable in full.

### **Default and Acceleration**

Any one or more of the following will constitute an event of default under this Note: (1) the failure of Borrower to pay when due any payment described herein, whether principal, interest, fees, premiums, charges or costs and expenses; (2) the breach by Borrower of any of its non-payment obligations under this Note and the failure of

Borrower to cure the breach within fifteen (15) calendar days after receipt of written notice of the breach from Bank; (3) the occurrence of a default or an event of default under the loan agreement, any of the security documents or any of the other loan documents, and the failure of such default to be cured within any applicable grace period contained in the document under which the default occurred; (4) the termination or attempted termination, in whole or in part as to present or future obligations, of any guaranty of, or other supporting obligation for the loan that has been given or that may be given in the future by any person; or (5) the occurrence of a default or an event of default under any other indebtedness or obligation now owing or in the future owing by Borrower to Bank and the failure of such default to be cured within any applicable grace period.

Upon the occurrence of an event of default under this Note, (1) the entire unpaid principal balance of this Note and all interest, fees, premiums, charges, costs and expenses owing and to be owing under this Note, will, at the option of Bank, become immediately due and payable, without notice or demand, and (2) the Bank may, both before and after acceleration, exercise any of and all of its other rights and remedies under this Note and the other loan documents, as well as any additional rights and remedies it may have at law or in equity. The failure by Bank to exercise any of its options will not constitute a waiver of the right to exercise same in the event of any subsequent default.

### **General Terms**

Borrower waives presentment, demand, protest and notice of dishonor.

Time is of the essence for the performance of all of Borrower's covenants and agreements set forth in this Note, including its payment obligations under this Note.

Payment of this Note in whole or in part, or any other partial or full satisfaction or discharge of Borrower or Borrower's obligations under this Note, will not release or otherwise terminate any of the security interests or liens created by any of the security documents, or entitle any person to a release or termination thereof; the terms of each security document will be determinative of when and the conditions under which any of the security interests or liens created by such security document will be released or otherwise terminated.

This Note will be governed by the substantive laws of the State of Georgia, excluding, however, the conflict of law and choice of law provisions thereof. Borrower submits to the jurisdiction of either the state courts of the jurisdiction whose laws govern this Note, or a United States District Court for any federal district in such jurisdiction, over any action or proceeding arising from or related to this Note; and, Borrower irrevocably waives the defense of improper venue or an inconvenient forum.

Each provision of this Note will be interpreted in a manner so as to be valid under applicable law, but if any provision of this Note is held invalid under such law by a court or other tribunal of competent jurisdiction, the provision will be ineffective to the extent of such invalidity without invalidating the remainder of such provision or the remaining provisions of this Note, or the application thereof will be in a manner and to an extent permissible under applicable law.

If the rate at which interest accrues under this Note exceeds at any time the maximum contract rate which may be charged to or collected from Borrower on the loan under applicable law, or if any fees, premiums, charges or costs and expenses assessed against or collected from Borrower exceed those permitted by law, then ipso facto the same will be reduced to the limits prescribed by law; and, if Bank receives any interest, fees, premiums, charges or costs and expenses in excess of any limits prescribed by law, such excess will be applied to the reduction of the principal balance owing under this Note in the inverse order of its maturity, even if not then due, or at the option of Bank, paid to Borrower.

Borrower, to the extent permitted by law, waives any right to a trial by jury in any action or proceeding arising from or related to this Note.

This Note will apply to and bind Borrower's successors and assigns. At any time or times and without notice to Borrower or any other person, Bank may sell one or more participations in the loan and may assign this Note in whole or in part; and, this Note will apply to, be binding upon and inure to the benefit of each one of and all of Bank's participants, successors and assigns, including any person that may administer



or service this Note for any holder of this Note or any participants in the loan. Bank may disclose financial and other information concerning Borrower and any other person obligated on the loan to any participant or prospective participant, and to any assignee or prospective assignee.

This Note and the other loan documents contain the entire/final agreement between Borrower and Bank relative to the loan. Bank will be under no obligation to extend, renew or refinance the loan at its maturity or at any time prior or subsequent thereto, or amend, modify or change any provision of this Note. This Note and any of the rights and remedies of any of the parties to this Note may not be changed or waived orally, but only by an agreement in writing signed by the party against whom enforcement of any change or waiver is sought.

### **Anti-Money Laundering**

Borrower represents and warrants to Bank as follows: (1) Borrower is not and will not be a person whose property or interest in property is blocked or subject to blocking pursuant to applicable laws; (2) Borrower is not and will not be a person on the list of Specially Designated Nationals and Blocked Persons and Borrower is not and will not be subject to any limitations or prohibitions under any regulations or orders of the U.S. Department of Treasury's Office of Foreign Assets Control; and (3) Borrower is and will remain in compliance with and does not and will not engage in any dealings or transactions prohibited by applicable laws, including the USA Patriot Act, the Trading with the Enemy Act or the U.S. Foreign Corrupt Practices Act of 1977, all as amended.

### **Definitions**

In this Note: (1) "Borrower" refers to all signatories of this Note collectively and severally, as the context of this Note requires, and all signatories of this Note will be and the same are jointly and severally liable hereunder; (2) "loan" refers to the loan or other credit facility evidenced by this Note; (3) "loan documents" refers to this Note, the loan agreement, the security documents and all other documents and agreements executed/delivered to Bank, or others on Bank's behalf, in connection with this Note or the loan, and all of the loan documents will be applied and enforced in harmony with each other to the end that the Bank fully realizes its rights and benefits under each and all of the loan documents, including full payment and satisfaction of all indebtedness and obligations evidence by or secured by each and all of the loan documents; (4) "maturity of this Note" refers to the date on which payment of the entire balance of principal then outstanding on this Note becomes due and payable in full, whether the stated maturity date, by acceleration or otherwise; (5) "Note" refers to this Commercial Promissory Note; (6) "person" includes individuals and organizations; (7) "security documents" refers to the security documents and supporting obligations which reference that they secure this Note or reference that they secure all obligations of Borrower to Bank, and includes all security documents and supporting obligations shown on Bank's records as being security documents or supporting obligations that secure this Note, whether or not such security documents or supporting obligations correctly or accurately refer to this Note; (8) the singular includes the plural and vice versa; (9) words in the neuter gender include any gender; (10) "including" means "including but not limited to"; (11) "and" may have a joint meaning or a several meaning and "or" may have an inclusive meaning or an exclusive meaning; and (12) the word "all" includes "any" and the word "any" includes "all".

**[Signatures appear on the following page]**

**EXECUTED** by the undersigned under SEAL as of the Effective Date.

### **BORROWER:**

GES – PORT CHARLOTTE, LLC

By: Lime Energy Asset Development, LLC, its sole member and manager

By: /s/ Eric Dupont (SEAL)  
Eric Dupont  
President

RBC Bank

Continuing Guaranty Agreement

November 3, 2011

Atlanta, Georgia

Limited \$ Guaranty: This Guaranty is limited, as provided below, to principal of \$4,100,000. Otherwise, this Guaranty is unlimited

**THIS CONTINUING GUARANTY AGREEMENT** (“Guaranty”), entered into as of the 31<sup>st</sup> day of October, 2011 by LIME ENERGY CO., a Delaware corporation, and LIME ENERGY ASSET DEVELOPMENT, LLC, a Delaware limited liability company (together, “Guarantor”) with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, NC 28078, to RBC BANK (USA) (“Bank”), with a mailing address of Post Office Box 1220, Rocky Mount, North Carolina 27802-1220.

GES – PORT CHARLOTTE, LLC (“Borrower”) desires to obtain extensions of credit or a continuation of credit extensions from Bank and to generally engage in various business transactions and contractual relationships with Bank. Bank is unwilling to extend or continue to extend credit to, or to engage in business transactions with Borrower unless it receives an unconditional and continuing, joint and several guaranty from Guarantor covering all “Liabilities”, as hereinafter defined.

**NOW, THEREFORE**, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Guarantor, and in order to induce Bank, from time to time and at any number of times, in its sole discretion, to extend or continue to extend secured and unsecured credit to Borrower and to generally engage in various business transactions and other contractual relationships with Borrower, Guarantor, jointly and severally, if more than one, hereby absolutely and unconditionally guarantees to Bank the full and prompt payment and performance, upon demand by Bank and on the terms and conditions hereinafter stated, when due, whether at stated maturity, by acceleration or otherwise, of each one of and all of the Liabilities.

In order to implement the foregoing and as additional inducements to Bank, Guarantor, jointly and severally, if more than one, further covenants and agrees:

### **Liabilities**

The term “Liabilities” in this Guaranty means and includes any and all of the following, together with any and all renewals, extensions, modifications, amendments, changes, consolidations, replacements or substitutions thereof or therefor, whether Borrower may be liable to Bank, jointly with others or individually, as a debtor, maker, co-maker, drawer, endorser, guarantor, surety or otherwise, and whether voluntarily or involuntarily incurred, due or not due, absolute or contingent, direct or indirect, liquidated or unliquidated: (1) any and all obligations, indebtedness and liabilities owing or due by Borrower to Bank, now existing or later arising, including any and all loans, credit lines, revolving lines of credit, advances, credit extensions, overdraft indebtedness, credit card indebtedness, lease obligations and premium and other obligations relating to any Rate Management Transaction (whether presently committed or committed in the future, currently existing or later arising, individually and collectively “Credit Extensions”); (2) any and all interest, fees, charges, fines, penalties, prepayment premiums and other premiums and costs and expenses, now existing or later arising or accruing, under or in connection with any and all of the Credit Extensions; (3) Borrower’s and any and all other persons’ (other than Bank’s) covenants, agreements and obligations under any and all agreements and documents now or hereafter executed/delivered to Bank or others on Bank’s behalf in connection with any one or more Credit Extensions (such agreements and documents, which are incorporated in this Guaranty, will be referred to herein individually and collectively as the “Loan Documents”, and include all renewals, extensions, amendments, modifications, changes, consolidations, replacements and substitutions thereof and therefor); (4) any and all sums now or hereafter advanced or paid by Bank under or in connection with any one or more Credit Extensions or the Loan Documents to protect its security or otherwise; and (5) all monetary obligations incurred by or accrued to Bank during the pendency of any bankruptcy, insolvency, receivership or other similar proceedings, regardless of whether allowed or allowable in such proceeding, relative to Borrower or any one or more Credit Extensions or Loan Documents. The term “Rate Management Transaction” in this Guaranty means any transaction and all agreements with respect thereto, now

existing or hereafter entered into between Borrower and Bank or others on Bank's behalf, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction or any combination thereof (including any option with respect to any of these transactions), whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

### **Limitation on Amount of Guaranty**

Guarantor's aggregate joint and several liability under this Guaranty with respect to the principal amount of the Liabilities outstanding from time to time under the Credit Extensions and under the Hazardous Substances Indemnity Agreement of even date herewith by Borrower and Guarantor in favor of Bank will be up to but not exceed the amount stated above under the heading of this Guaranty entitled "Limited \$ Guaranty". Guarantor's joint and several liability under this Guaranty will be unlimited as to all of the following Liabilities due from time to time, whether before, at the time of or after Bank demands payment or performance under this Guaranty: interest, fees, charges, fines, penalties, prepayment premiums and other premiums, costs and expenses, amounts advanced or paid by Bank under the Loan Documents to protect its security or otherwise, even if such amounts are added to principal under the terms of the Loan Documents, and all monetary obligations incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceedings, regardless of whether allowed or allowable in such proceeding.

### **Guaranty of Payment**

This guaranty is and will remain an unconditional guaranty of payment and performance and not a guaranty of collection. Guarantor herewith expressly waives any right Guarantor otherwise might have or might have had under the provisions of Section 10-7-20 through 27 of the Official Code of Georgia or other Georgia laws to require Bank to attempt to recover against Borrower and to realize upon any collateral and other security which Bank holds for the Liabilities.

### **Termination of Guaranty**

Guarantor, by a written notice, delivered personally to or actually received by certified or registered United States Mail by an authorized officer of Bank in Bank's Loan Servicing Center (or successor thereto), at the address of Bank first above given, may terminate Guarantor's guaranty hereunder with respect to those Liabilities which arise more than thirty (30) calendar days after the date on which such written notice is so delivered to or received by Bank's authorized officer, as aforesaid ("Termination Notice"). A Termination Notice will be the sole and exclusive method for terminating Guarantor's guaranty as to future Liabilities and notwithstanding termination, this Guaranty and the guaranty created hereby and all security given for this guaranty or the Liabilities will remain in full force and effect as to all Liabilities incurred, existing or arising in any manner pre-termination, including all Liabilities arising under loan commitments which exist pre-termination, all Liabilities under lines of credit and revolving lines of credit for advances both pre- and post-termination and all Liabilities arising from renewals, extensions, replacements, substitutions, amendments and modifications of the Liabilities, in whole or in part, whether any of the foregoing are made with or without notice to Guarantor before or after the effective date of termination as provided in this paragraph.

### **General Provisions**

Guarantor represents and warrants to Bank that this Guaranty either (i) does not conflict with or otherwise violate, either in whole or in part, or (ii) is the subject of a waiver or consent by the other party or parties to any agreement to which Guarantor is a party or any agreement by which Guarantor is bound or to which Guarantor is subject.

Guarantor acknowledges that: (1) Guarantor benefits from the Liabilities; (2) Guarantor is familiar with Borrower and its business; and (3) Bank has not made any representations to Guarantor relative to any of the Liabilities or any person, or any person's business, that is now or that may in the future be obligated on any of the Liabilities, including Borrower or any other guarantor, accommodation party or supporting obligor. Guarantor agrees Bank has no responsibility for keeping Guarantor informed regarding Borrower's financial condition or that of any other person.

Guarantor agrees this Guaranty does not terminate, supersede or substitute for any existing guaranties from Guarantor to Bank.

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Guarantor agrees to furnish Bank all financial information or other information Guarantor may be required to provide Bank under any of the Loan Documents and to furnish Bank any other information as Bank may from time to time reasonably request. Guarantor agrees to abide by, remain in compliance with and otherwise fully and timely perform all of the terms, provisions, covenants and agreements in any of the Loan Documents that may now or in the future be applicable to or otherwise binding upon Guarantor or any of its property, including any financial covenants, reporting requirements and covenants limiting disposition of assets or a change in control.

Guarantor agrees its obligations under this Guaranty are not dependent upon any other person guaranteeing or continuing to guarantee payment of any or all of the Liabilities.

Guarantor agrees that its liability under this Guaranty will not be limited, diminished or extinguished, in whole or in part, by, and that its consent will not be required relative to, any changes to, or any acts or inactions on Bank' s part or any other person' s part with respect to, any one or more of the following: (1) Borrower; (2) any of the Liabilities; (3) any of the Loan Documents; (4) any guarantor or other supporting obligor of any or all of the Liabilities; or (5) any property, or any liens or security interest therein or thereon, now or in the future securing this Guaranty, any or all of the Liabilities or any other guaranties or supporting obligations. Guarantor agrees that its liability under this Guaranty will not be limited, diminished or extinguished, in whole or in part, by the unenforceability or invalidity of any of the Liabilities as to Borrower or any other person, or the unenforceability or invalidity of any other guaranties or supporting obligations for any of the Liabilities, including any liens or security interests.

Guarantor waives presentment, demand, protest, notice of dishonor and any other notices to which Guarantor may otherwise be entitled. Guarantor agrees that until the Liabilities are paid and satisfied in full and Guarantor' s liability under this Guaranty is fully satisfied and discharged in accordance with the terms of this Guaranty, Guarantor will not have, and Guarantor waives, any claim of subrogation, reimbursement, exoneration, contribution and indemnity with respect to this Guaranty, the Liabilities, Borrower and any other person obligated on the Liabilities. Guarantor waives any defenses or benefits of a surety, accommodation party or other supporting obligor to which Guarantor may be entitled by statute or otherwise at law or in equity, including (1) any defenses or benefits relating to or arising from release, estoppel, election of remedies, rights to appraisal or marshalling of assets, (2) any defenses or benefits relating to or arising under judicial or non-judicial collection or foreclosure laws or procedures, or under any anti-deficiency laws, and (3) the right to appear, be scheduled or otherwise treated as a "creditor" in any federal or state bankruptcy or insolvency proceeding and any defenses or benefits relating to or arising under any federal or state bankruptcy, insolvency or debtor relief laws.

Guarantor agrees that until the Liabilities are paid in full, unless Bank agrees otherwise in writing: (1) Guarantor will not receive payment on any indebtedness owed by Borrower to Guarantor, or withdraw capital invested by it in Borrower, or otherwise receive any distributions from Borrower to the extent such distribution would cause Borrower to violate any covenant in the Loan Agreement; (2) to the extent Guarantor receives any payments, withdrawals or other distributions from Borrower in violation of the foregoing clause (1), the same will be deemed received by Guarantor in trust for the benefit of Bank and, upon demand for payment thereof by Bank, will be paid to Bank for application by Bank against the Liabilities; (3) all Guarantor' s present and future claims against Borrower or Borrower' s property, including claims for money owed under promissory notes and other evidences of indebtedness, and any liens or security interests securing such claims, will be subordinate in all respects to Bank' s present and future claims against Borrower and Borrower' s property, and all liens and security interests securing such claims; and (4) Guarantor will not foreclose on or otherwise enforce through either judicial or non-judicial proceedings any liens or security interests securing any of Guarantor' s present or future claims against Borrower or Borrower' s property.

If Bank is required to return or repay any payments made on the Liabilities, Guarantor agrees the Liabilities intended to be satisfied by such returned or repaid payments will be revived and continued in full force and effect as if said returned or repaid payments had not been made, and that this Guaranty will continue to be effective or reinstated, as the case may be, as to such returned or repaid payments.

Time is of the essence for the performance of all of Guarantor' s covenants and agreements set forth in this Guaranty, including its payment obligations under this Guaranty. If Guarantor fails to pay any amount owing under this Guaranty as and when due or otherwise breaches any

of its representations, warranties, covenants or other agreements hereunder, Bank may, without prior notice to Guarantor or any other person, exercise or otherwise pursue any and all rights and remedies available to Bank under this Guaranty, any of the Loan Documents, at law or in equity, including acceleration of payment or performance obligations, provided, however, Bank's rights under this paragraph are subject to the notice requirements set forth in that certain Intercreditor Agreement of even date herewith among American Chartered Bank, Bank and the Guarantor defined therein.

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Guarantor agrees to pay to Bank, on Bank's demand, all out-of-pocket costs and expenses incurred by Bank in connection with enforcement of Bank's rights and remedies under this Guaranty.

Except as provided herein to the contrary, all notices hereunder will be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses set forth above, provided either Guarantor or Bank may, by written notice to the other, designate a different address where communications should be sent.

This Guaranty will be governed by the substantive laws of the State of Georgia, excluding, however, the conflict of law and choice of law provisions thereof. If any provision of this Guaranty will be prohibited or invalid under such law, such provision will be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

To the extent permitted by law, Guarantor waives any right to a trial by jury in any action arising from or related to this Guaranty or any of the Liabilities.

This Guaranty will apply to and bind Guarantor's heirs, successors and assigns. At any time or times and without notice to Guarantor or any other person, Bank may sell one or more participations in any of the Liabilities and may assign this Guaranty and any of the Loan Documents in whole or in part; and, this Guaranty will apply to, be binding upon and inure to the benefit of each one of and all of Bank's participants, successors and assigns, including any agent that may administer or service any of the Liabilities for any holder of this Guaranty or any of the Loan Documents, or any participants.

Bank may make such credit investigations and other investigations regarding Guarantor as Bank deems necessary or appropriate, including any investigations as may be necessary or advisable under applicable law. Unless otherwise prohibited by applicable law, Bank may disclose financial and other information concerning Guarantor to any person, including any of the following: governmental agencies; credit bureaus and other similar persons; Guarantor's other creditors or prospective creditors; Bank's authorized representatives and any administrative or servicing agents, and to Bank's respective affiliates and their respective authorized representatives and any administrative or servicing agents; any participant or prospective participants, and to any assignee or prospective assignee, of the Liabilities or any part or parts thereof, and the authorized representatives and any administrative or servicing agents for such persons.

In this Guaranty: (1) the singular includes the plural and vice versa; (2) words in the neuter gender include any gender; (3) "including" means "including but not limited to"; (4) "and" may have a joint meaning or a several meaning and "or" may have an inclusive meaning or an exclusive meaning; (5) the word "all" includes "any" and the word "any" includes "all"; (6) words importing "persons" will include individuals as well as corporations and other organizations; (7) the phrase "costs and expenses" will include the reasonable fees of attorneys and other service providers, including those incurred in connection with and during the pendency of any reorganization, receivership, insolvency or bankruptcy, and will include intangible personal property taxes, documentary stamp taxes, excise taxes and other similar taxes; (8) terms that are not defined in this Guaranty but are defined in any of the other Loan Documents will have the meaning given to such terms in the Loan Documents in which such terms are defined, and the rules on usage of terms contained in the other Loan Documents will apply to this Guaranty; and (9) all of Guarantor's representations and warranties will be deemed continuing representations and warranties.

This Guaranty constitutes the entire agreement between the Bank and Guarantor with respect to this guaranty. Any modification of this Guaranty and any waiver of Bank's rights or remedies under this Guaranty must be through a writing executed by an authorized representative of Bank in order for the modification or waiver to be enforceable against Bank. When requested by Bank for any reason, including to comply with any requirements of law, Guarantor will re-confirm, in writing, to Bank, its continuing liability and obligation under

this Guaranty, such written re-confirmation to be in such form as Bank may require, including a statement of re-confirmation or a substitute or replacement guaranty.

**Anti-Money Laundering**

Guarantor represents and warrants to Bank as follows: (1) Guarantor is not a person whose property or interest in property is blocked or subject to blocking pursuant to any laws of the U.S.; (2) Guarantor is not a person on the list of Specially Designated Nationals and Blocked Persons and Guarantor is not subject to any limitations or prohibitions under any regulations or orders of the U.S. Department of Treasury's Office of Foreign Assets Control; and (3) Guarantor is in compliance with and does not engage in any dealings or transactions prohibited by any laws of the U.S., including the USA Patriot Act, the Trading with the Enemy Act or the U.S. Foreign Corrupt Practices Act of 1977, all as amended.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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**EXECUTED** under SEAL by the undersigned as of the day and year first above stated.

WITNESS/ATTEST:

LIME ENERGY CO.

/s/ David Asplund

By: /s/ Jeffrey Mistarz (SEAL)  
Jeffrey R. Mistarz  
Chief Financial Officer

WITNESS/ATTEST:

LIME ENERGY ASSET DEVELOPMENT, LLC

/s/ David Asplund

By: /s/ Jeffrey Mistarz (SEAL)  
Jeffrey R. Mistarz  
Treasurer

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RBC Bank

Security Agreement  
(Term Loan – EIAGI)

**THIS SECURITY AGREEMENT** (“Security Agreement”), entered into as of October 31, 2011 (“Effective Date”), by GES-PORT CHARLOTTE, LLC (whether one or more, “Grantor”) with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, North Carolina 28078, to RBC BANK (USA), a North Carolina banking corporation (“Bank”), with a mailing address of Post Office Box 1220, Rocky Mount, North Carolina 27802-1220, which address is the place to which all notices and communications should be sent to Bank regarding this Security Agreement.

Grantor has obtained a loan or other extension of credit from Bank (“Loan”). Grantor and Bank have entered into a loan agreement relative to the Loan (“Loan Agreement”). The Loan Agreement is dated October 31, 2011.

The Loan is in an aggregate principal amount of \$3,600,000 (“Loan Amount”) and is evidenced by a promissory note dated October 31, 2011, in the original aggregate principal amount of the Loan Amount, from Grantor to Bank (whether one or more, “Note”).

Grantor desires to secure each and all of the following Indebtedness and obligations by a conveyance of, and the grant of a security interest in, Grantor’s interest in the Collateral: (1) payment of all present and future Indebtedness outstanding under and evidenced by the Note, which is in the original principal aggregate amount equal to the Loan Amount, and payment of any and all Indebtedness that may now be owed by Grantor to Bank and any and all Indebtedness that may in the future be owed by Grantor to Bank under other promissory notes or evidences of Indebtedness which recite that the Indebtedness evidence by such other promissory notes or evidences of Indebtedness are secured by this Security Agreement or the liens and security interests created by this Security Agreement (individually and collectively, both present and future, sometimes the “Obligations”); (2) payment of all sums, with interest thereon at the Contract Rate, now or hereafter advanced under this Security Agreement or any one or more of the other Loan Documents to complete construction or furnishing of any improvements, or to maintain, protect, repair, restore or preserve the Collateral; (3) payment of all sums, with interest thereon at the Contract Rate, now or hereafter advanced under this Security Agreement or any one or more of the other Loan Documents to maintain, protect, preserve and enforce the liens and security interests created by this Security Agreement or any one or more of the other Loan Documents; (4) payment of all sums, with interest thereon at the Contract Rate, now or hereafter advanced to protect and enforce the rights and remedies of Bank hereunder or under any one or more of the other Loan Documents; (5) payment of any and all present and future Indebtedness and other obligations under each one of and all of the Loan Documents that are not encompassed in phrases (1) through (4) of this paragraph, including payment of any and all premiums and other obligations relating to any Rate Management Transaction; (6) performance of the covenants, terms and conditions contained in each one of and all of the Loan Documents; and (7) payment of all monetary obligations incurred by or accrued to Bank during the pendency of any bankruptcy, insolvency, receivership or other similar proceedings, regardless of whether allowed or allowable in such proceeding, relative to Grantor or any one or more of the Loan Documents.

**NOW, THEREFORE**, in consideration of the premises and for the purpose of securing the Obligations and the other Indebtedness and obligations as aforesaid, and in further consideration of the sum of Ten Dollars (\$10) paid to Grantor by Bank, receipt of which is hereby acknowledged, Grantor has pledged, assigned and granted, and by these presents does pledge, assign and grant unto Bank, with power of sale, and upon the representations, warranties, covenants, terms and conditions set forth in this Security Agreement, a continuing security interest in and lien upon the personal property and other property rights and property interests described on Exhibit A attached to this Security Agreement, together with all estate, right, title and interest of Grantor therein and thereunder, all proceeds, products, accessions, additions, replacements and substitutions of, for or to the foregoing personal property and property rights and property interests and all books and records relating to the foregoing property and property rights and property interests or used in connection therewith – in all of the foregoing instances, including the personal property and property rights and property interests, both now existing and hereafter created, acquired or arising (severally and collectively, “Collateral”). Notwithstanding anything contained in the definition of Collateral or elsewhere in this Agreement or in any other Loan Document, Collateral shall not include any payments made to Borrower under Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 by, or on behalf of, the United States Department of the Treasury.



Grantor represents, warrants, covenants and agrees with Bank as set forth above and in the sections and paragraphs set forth hereinbelow:

### **Loan Documents**

This Security Agreement, the Obligations, the Loan Agreement and the other Loan Documents are incorporated into each other and they are each a part of the other. Grantor agrees to perform all obligations required to be performed from time to time by Grantor under each one of and all of the Loan Documents, including the Obligations, the Loan Agreement and this Security Agreement. All of the Loan Documents will be applied and enforced in harmony with and in conjunction with each other to the end that Bank realizes fully upon its rights and remedies in each and the liens and security interests created by each; and, to the extent conflicts exist between this Security Agreement and the other Loan Documents, they will be resolved in favor of Bank for the purpose of achieving the full realization of Bank's rights and remedies and the liens and security interests as aforesaid.

### **Representations and Warranties**

Grantor represents and warrants to Bank that Grantor is the legal and beneficial owner of the Collateral and Bank has, or upon the attachment of the security interest created hereunder will have, a first priority perfected security interest in all Collateral, subject only to the Permitted Liens.

### **Special Collateral Covenants**

**Sale of Inventory.** So long as an Event of Default has not occurred and is continuing hereunder, and subject to the terms and conditions set forth in the other Loan Documents and compliance with any operating, inventory and financial covenants set forth herein and therein, if any, Grantor will have the right, in the ordinary and regular course of business and only in the ordinary and regular course of business, to process and sell Grantor's Inventory. Bank's security interest hereunder will attach to all proceeds of all sales and other dispositions of Grantor's Inventory. Grantor agrees that it will not permit any return of Inventory, the sale of which gave rise to any Receivable, except in the ordinary and regular course of business.

**Disposition of Equipment.** So long as an Event of Default has not occurred and is continuing hereunder, and subject to the terms and conditions set forth in the other Loan Documents and compliance with any operating, inventory and financial covenants set forth herein and therein, if any, Grantor will have the right, in the ordinary and regular course of business and only in the ordinary and regular course of business, to dispose of Equipment and other tangible personal property in Grantor's ordinary and normal replacement program for Equipment and other tangible personal property where Bank's first priority lien and security interest continues in any replacement Equipment or other tangible personal property.

**Collection of Accounts.** Bank will have the rights and remedies set forth in this subsection and Grantor will perform and otherwise undertake or cause other persons to perform or undertake each and all of the obligations imposed upon Grantor in this subsection, as and when so required. The rights and remedies available to Bank in this subsection and the obligations of Grantor in this subsection are in addition to and not in lieu of Bank's other rights and remedies in this Security Agreement and the other Loan Documents, and are in addition to and not in lieu of Grantor's other obligations in this Security Agreement and the other Loan Documents.

**Deposit of Remittances.** Upon the occurrence of an Event of Default under this Security Agreement, Grantor will, at Bank's request, forthwith upon receipt of all checks, drafts, cash and other tangible and electronic remittances in payment or on account of the Accounts, deposit the same in a special bank account maintained with Bank or its representative, over which Bank, and its representative as applicable, will have the sole power of withdrawal. Grantor will designate with each such deposit the particular Account upon which the remittance was made. The funds in such account will be held by Bank as security for the Indebtedness and other obligations evidenced or secured by this Security Agreement or any of the other Loan Documents, and such funds will be part of the Collateral. The checks, drafts, cash and other tangible and electronic remittances in payment or on account of the Accounts will be deposited in precisely the form received, except for the endorsement of Grantor where necessary to permit collection of items, which endorsement Grantor agrees to make, and which endorsement Bank or its representative are also authorized to make on Grantor's behalf. Pending such deposit, Grantor will not

commingle any such checks, drafts, cash and other remittances with any of Grantor's funds or property, but will hold them separate and apart therefrom and upon an express trust for Bank until deposit thereof is made in the special account. Bank may, at any time and from time to time, in its sole discretion, apply any part of the credit balance in the special account to the payment of all or any of the Indebtedness and other obligations evidenced or secured by this Security Agreement or any of the other Loan

Documents, whether or not the same be due, and to payment of any other Indebtedness or obligations owing to Bank under or on account of this Security Agreement or any of the other Loan Documents. On the termination of this Security Agreement as provided in the Section of this Security Agreement entitled "Termination of Security Agreement" and provided, at such time, all of the Indebtedness and other obligations evidenced or secured by this Security Agreement or any of the other Loan Documents have been paid and satisfied in full as required hereunder and under the other Loan Documents, Bank will pay over to the Grantor any excess good and collected funds received by Bank as a deposit in the special account.

**Collection from Account Debtors.** Upon the occurrence of an Event of Default under this Security Agreement, Bank may, at its option but without any obligation to do so, at any time or times and without notice or demand unless otherwise required hereunder or in any of the other Loan Documents, do or cause to be done through others any one or more of the following: (1) to require Grantor to notify, or itself to notify, either in its own name or in the name of Grantor, all or any of the Grantor's account debtors, and any other person obligated to Grantor, that Grantor's Accounts have been assigned to Bank and to request in its name, in the name of Grantor or in the name of a third person, confirmation from any such account debtor or other person of the amount payable and any other matter stated therein or relating thereto; (2) to demand, collect, settle, compromise for, recover payment of, to hold as additional security for the Indebtedness and other obligations evidenced or secured by this Security Agreement or any of the other Loan Documents and to apply against the Indebtedness and other obligations evidenced or secured by this Security Agreement or any of the other Loan Documents, any and all sums which are now owing and which may hereafter arise and become due and owing upon any of said Accounts and upon any other obligation to Grantor (to include making, settling, adjusting, collecting and recovering payment of all claims under and decisions with respect to Grantor's policies of insurance); (3) to enforce payment of any Account and any other obligation of any person to Grantor either in its own name or in the name of Grantor; (4) to endorse in the name of Grantor and to collect any instrument or other medium of payment, whether tangible or electronic, tendered or received in payment of the Accounts that constitute Collateral and any other obligation to Grantor; (5) to sign Grantor's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts and notices to account debtors; and (6) dispose of any Collateral constituting Accounts and to convert any Collateral constituting Accounts into other forms of Collateral.

**Appointment.** In furtherance of Bank's collection rights and remedies in this Section, but without limiting any other provisions of this Security Agreement under which Bank is appointed Grantor's attorney-in-fact, Grantor hereby appoints Bank and each of Bank's authorized representatives as Bank may from time to time designate, as attorneys-in-fact for Grantor, to sign and endorse in the name of Grantor, to give notices in the name of Grantor and to perform all other actions necessary or desirable in the reasonable discretion of Bank to effect the provisions and carry out the intent of this Section. Grantor hereby ratifies and approves all acts of such attorneys-in-fact and neither Bank nor any other such attorneys-in-fact will be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. The foregoing power, being coupled with an interest, is irrevocable so long as any Account pledged and assigned to Bank remains unpaid and this Security Agreement or any other Loan Document is in force.

**Authorization to Account Debtors.** Grantor irrevocably authorizes and consents to any and all of Grantor's account debtors and other persons communicating with Bank, or its authorized representatives, with respect Bank's collection of Accounts and generally with respect to Grantor's property, business and affairs. Grantor also irrevocably authorizes and consents to any and all of Grantor's account debtors and other persons acting upon and in accordance with Bank's, or its representative's, instructions, directions and demands, including, Bank's or its representative's request and demand to pay money and deliver other property to Bank or its authorized representatives, all without liability to Grantor or any other person for so doing.

## **Events of Default**

The occurrence of any one or more of the following events will constitute a default or an event of default hereunder (“Default” or “Event of Default”): (1) Grantor’s default under, breach, or failure to perform any material covenant, representation, warranty, term, condition or provision contained in this Security Agreement, and any such default, breach or failure to perform is not remedied to Bank’s satisfaction within fifteen (15) days following notice thereof having been given by Bank to Grantor; or (2) the occurrence of any default or event of default under any one or more of the other Loan Documents, including the Obligations or the Loan Agreement, and the failure of such default or event of default to be cured within any applicable grace periods.

### **Remedies**

Upon the occurrence of an Event of Default or any other event defined in this Security Agreement as an “event of default” or a “default”, Bank will have the right, at its option, (1) to declare all amounts payable under the Obligations, or any one or more of them if more than one, as well as any or all of the other Indebtedness and obligations secured hereby that are not already due hereunder, to be immediately due and payable without notice or demand, whereupon the same will become immediately due and payable, regardless of the maturity date thereof, and (2) to exercise any and all of Bank’s other rights and remedies under this Security Agreement, the Loan Agreement and the other Loan Documents, as well as any additional rights and remedies Bank may have at law or in equity, including foreclosing on the Collateral as provided below in this Security Agreement, foreclosing on the Collateral under the Mortgage or proceeding at law through a judicial foreclosure. All of Bank’s rights and remedies may be exercised by Bank from time to time and at any number of times successively, concurrently and alternatively without impairing Bank’s rights hereunder or under any of the other Loan Documents.

### **Foreclosure**

Bank will have all of the rights and remedies available to a secured creditor under the UCC and without limiting the foregoing, upon the occurrence of an Event of Default under this Security Agreement, Bank may exercise any one or more of the following rights and remedies: (1) foreclose and otherwise enforce Bank’s security interests in any and all of the Collateral in any manner permitted by applicable requirements of law, this Security Agreement and any of the other Loan Documents; (2) sell and otherwise dispose of any and all Collateral at one or more public sales and at one or more private sales, whether or not such Collateral is present at the place of sale, for cash or credit, on such terms and in such manner as Bank may determine; (3) require Grantor to assemble the Collateral and make it available to Bank at a place to be designated by Bank; (4) enter onto any land and other property where any Collateral is located and take possession of such Collateral with or without judicial process; and (5) prior to the disposition of the Collateral, store, process, assemble, install, affix, repair, recondition, manage and otherwise use and make use of any or all of the Collateral, or generally prepare or preserve Collateral for disposition in any manner and to the extent Bank deems appropriate. Grantor hereby agrees that ten (10) calendar days notice of any intended sale and disposition of any Collateral is commercially reasonable; that a shorter period of notice will be commercially reasonable if, in Bank’s opinion, Bank deems it necessary to move more expeditiously with disposition of the Collateral and any part thereof; and that the foregoing will not require a notice if no notice is required under the UCC. The proceeds of any sale of, and other realization upon, all and any part of the Collateral will be applied by Bank against the Obligations and other Indebtedness and obligations due Bank under the Loan Documents in the order of priorities as set out in the Loan Agreement, unless applicable requirements of law require a different application of payments, and then they will be applied in accordance with applicable requirements of law.

### **Appointment of Receiver**

Bank will have the absolute and unconditional right, upon the occurrence of an Event of Default hereunder, to apply for and to obtain the appointment of a receiver or similar official for all or a portion of the Collateral, to do or cause to be done any one or more of the things Bank is permitted or authorized to do with respect to the Collateral, or any part or parts thereof or interests therein, under this Security Agreement after the occurrence of an Event of Default, including any one or more of the following with all or any part of or interests in the Collateral: manage and operate the Collateral; sell the Collateral; and, collect and apply the proceeds from the Collateral to the payment of the Obligations and any other amounts secured by this Security Agreement, such proceeds to be applied in the order provided for application of payments hereinabove. In the event of Bank’s application for a receiver or other similar official, Grantor consents to the appointment of such

receiver or similar official without prior notice to Grantor and without Bank or the receiver or similar official having to post a bond or other security.

### **Termination of Security Agreement**

If at any time during the period of this Security Agreement there is no balance outstanding under any of the Obligations, no obligation of Bank to make any further or additional advances to any person under the Obligations or otherwise under any of the Loan Documents, and all Indebtedness and other obligations secured by this Security Agreement and secured or evidenced by any of the other Loan Documents have been paid and satisfied in full, Bank will, upon written request of Grantor and at Grantor's costs and expense, if permitted by applicable law, execute and deliver to Grantor a termination of this Security Agreement.

### **General Terms**

The recitals are part of this Security Agreement. All exhibits and other attachments to this Security Agreement are incorporated herein.

Grantor waives the benefit of all present and future homestead, appraisalment, valuation, stay, extension, reinstatement and redemption laws, and all rights to require marshalling. Grantor waives any rights Grantor might have or have had under Georgia law or any other similar laws.

This Security Agreement will be governed by and construed in accordance with the laws of the State of Georgia, excluding, however, the conflict of law and choice of law provisions thereof.

Except as otherwise provided in this Security Agreement, the terms and conditions of this Security Agreement may be changed only by an agreement in writing signed by Bank and Grantor.

Grantor does hereby irrevocably constitute and appoint Bank its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to do or cause to be done such acts as Bank, in its sole discretion, deems necessary and advisable to effect the terms and conditions of this Security Agreement and to otherwise realize Bank's rights, authority and powers hereunder, and the benefits provided to Bank herein. The foregoing appointment is and the same will be coupled with an interest in favor of Bank.

Subject to the limitations on Grantor's right to assign set forth herein and any other limitations on assignment in any of the other Loan Documents, the covenants, terms and conditions contained in this Security Agreement will bind, and the benefits and powers will inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. At any time or times and without notice to Grantor or any other person, Bank may assign any or all of the Obligations or sell or transfer one or more participations in any of the Obligations, and in connection with any such assignments, sales or other transfers, may assign Bank's rights and benefits under this Security Agreement and any of the Loan Documents in whole or in part; and, this Security Agreement will apply to, be binding upon and inure to the benefit of each one of and all of Bank's participants, successors and assigns, including any agent that may administer or service any of the Obligations for any holder of any of the Loan Documents, or any assignees, transferees or participants.

All notices and other communications under this Security Agreement will be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses of the parties as set forth in this Security Agreement. Grantor and Bank may, by written notice given hereunder, designate a different address where communications should be sent and Bank may direct, by notice to Grantor, for communications to be sent electronically or in some other non-tangible medium.

### **Definitions**

For the purposes of this Security Agreement, terms and phrases will have the meaning given to them below or elsewhere in this Security Agreement, as applicable; and if any terms or phrases are not defined in this Security Agreement, such terms will have the meaning given to

them in the Loan Agreement. In using and applying the various terms, provisions and conditions in this Security Agreement, the rules of construction contained in the Loan Agreement will apply.

“Obligations” means, as the context requires, either or both an Indebtedness and the evidence of an Indebtedness secured by this Security Agreement as described in this Security Agreement, and includes extensions, renewals, modifications, amendments, changes, substitutions and replacements thereof and therefor, in whole and in part.

“Rate Management Transaction” means any transaction and all agreements with respect thereto, now existing or hereafter entered into between Grantor and Bank or others on Bank’s behalf, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction or any combination thereof (including any option with respect to any of these transactions), whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures (the agreements relating to Rate Management Transactions are part of the Loan Documents).

[Signatures appear on the following page]

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**EXECUTED** by the undersigned under SEAL as of the date of this Security Agreement.

GES – PORT CHARLOTTE, LLC

By: Lime Energy Asset Development, LLC, its sole member and manager

By: /s/ Eric Dupont (SEAL)

Name: Eric Dupont

Title: President

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### **Exhibit A – Security Agreement Description of Collateral**

**Accounts.** All accounts (as such term is defined in Article 9 of the Uniform Commercial Code in effect from time to time in the State of Georgia) owned by the Grantor and all accounts in which the Grantor has any rights (including, without limitation, rights to grant a security interest in accounts owned by other persons), both now existing and hereafter owned, acquired and arising; and, to the extent not included in the term accounts as so defined after ascribing a broad meaning thereto, all accounts receivable, health-care-insurance receivables, credit and charge card receivables, bills, acceptances, documents, choses in action, chattel paper (both tangible and electronic), promissory notes and other instruments, deposit accounts, license fees payable for use of software, commercial tort claims, letter of credit rights and letters of credit, rights to payment for money or funds advanced or sold other than through use of a credit card, lottery winnings, rights to payment with respect to investment property, general intangibles and other forms of obligations and rights to payment of any nature, now owing to the Grantor and hereafter arising and owing to the Grantor, together with (i) the proceeds of all of the accounts and other property and property rights described hereinabove, including all of the proceeds of Grantor’s rights with respect to any of its goods and services represented thereby, whether delivered or returned by customers, and all rights as an unpaid vendor and lienor, including rights of stoppage in transit and of recovering possession by any proceedings, including replevin and reclamation, and (ii) all customer lists, books and records, ledgers, account

cards, and other records including those stored on computer or electronic media, whether now in existence or hereafter created, relating to any of the foregoing.

**Equipment.** All equipment (as such term is defined in Article 9 of the Uniform Commercial Code in effect from time to time in the State of Georgia) of the Grantor, whether now existing or hereafter owned, acquired or arising, or in which the Grantor now has or hereafter acquires any rights, including, without limitation, equipment now in Grantor's possession and control, equipment in transit, equipment in storage and equipment hereafter acquired by way of replacement, substitution, addition or otherwise, and, to the extent not included in the term equipment as so defined after ascribing a broad meaning thereto, all now existing and hereafter acquired furniture, furnishings, fixtures (including, without limitation, those located at, upon or about, or attached to, the real estate described herein), machinery, parts, supplies, apparatus, appliances, patterns, molds, dies, blueprints, fittings and computer systems and related hardware and software of every description, together with (i) the proceeds and products of all of the equipment and other property and property rights described hereinabove, including, without limitation, insurance proceeds and condemnation proceeds, (ii) all books and records, abstracts of title, leases and all other contracts and agreements relating thereto or used in connection therewith and (iii) all customer lists, books and records, ledgers, account cards, and other records including those stored on computer or electronic media, whether now in existence or hereafter created, relating to any of the foregoing.

**Inventory.** All inventory (as such term is defined in Article 9 of the Uniform Commercial Code in effect from time to time in the State of Georgia) owned by the Grantor and all inventory in which the Grantor has any rights (including, without limitation, rights to grant a security interest in inventory owned by other persons), both now existing and hereafter owned, acquired and arising, including, without limitation, inventory in transit, inventory in the constructive possession and control of Grantor, inventory in the actual possession and control of Grantor and inventory held by others for Grantor's account; and, to the extent not included in the term inventory as so defined after ascribing a broad meaning thereto, all now existing and hereafter acquired goods manufactured or acquired for sale or lease, and any piece goods, raw materials, as extracted collateral, work in process and finished merchandise, component materials, and all supplies, goods, incidentals, office supplies, packaging materials and any and all items used or consumed in the operation of the business of Grantor or which may contribute to the finished product or to the sale, promotion and shipment thereof by Grantor and by others on the account of Grantor, together with (i) the proceeds and products of all of the inventory and other property and property rights described hereinabove, (ii) all additions and accessions thereto and replacements and substitutions therefor, (iii) all documents related thereto and (iv) all customer lists, books and records, ledgers, account cards, and other records including those stored on computer or electronic media, whether now in existence or hereafter created, relating to any of the foregoing.

**General Intangibles.** All general intangibles (as such term is defined in Article 9 of the Uniform Commercial Code in effect from time to time in the State of Georgia) of the Grantor, whether now existing or hereafter owned, acquired or arising, or in which the Grantor now has or hereafter acquires any rights, and, to the extent not included in the term general intangibles as so defined after ascribing a broad meaning thereto, all now existing and hereafter acquired things in action, payment intangibles, rights to payment of loan funds not evidenced by chattel paper or an instrument, contract rights, causes of action, business records, inventions, designs, patents, patent applications,

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software, trademarks, trademark registrations and applications therefor, goodwill, trade names, trade secrets, trade processes, copyrights, copyright registrations and applications therefor, licenses, permits, franchises, customer lists, computer programs, all claims under guaranties and other supporting obligations, tax refund claims, claims under letters-of-credit and all letter-of-credit rights, rights and claims against carriers and shippers, leases, claims under insurance policies, condemnation proceeds, all rights to indemnification and all other intangible personal property of every kind and nature, together with the proceeds of all of the general intangibles and other property and property rights described hereinabove and (ii) all customer lists, books and records, ledgers, account cards, and other records including those stored on computer or electronic media, whether now in existence or hereafter created, relating to any of the foregoing.

In addition, the Loan will be secured by a first lien and security interest in the Premises, including without limitation (a) the Improvements of the Premises, (b) the Personality of the Premises, (c) all leases relating to the Premises of the Premises and all rents, issues and profits arising out of or related to the Premises, (d) all agreements and documents relating to the use of the Premises, (e) all licenses and permits relating to any one or more of the Land, the Improvements and the Personality of the Premises, (f) all other property and property rights described in any

one or more of the Mortgage, the Collateral Assignments of the Premises and any of the other Loan Documents, and (g) all proceeds, products, accessions, additions, replacements and substitutions of or to the foregoing property and property rights.

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RBC Bank

**Mortgage**  
(Future Advance – LF Leasehold)

Return To:

Prepared By:  
Troutman Sanders LLP  
1660 International Drive  
Suite 600  
McLean, Virginia 22102  
Attn: Richard M. Pollak

State of Florida

County of Charlotte

This record, in addition to covering other property, is filed as a fixture filing and covers goods that are or are to become fixtures. The real property to which the foregoing is related is described hereinbelow. The “Secured Party” is the Bank identified below and the “Debtor” is the Mortgagor identified below. The record owner is: Charlotte County, a political subdivision of the State of Florida. This document serves as a fixture filing under the Florida Uniform Commercial Code (Fla. Stat. §679.5021).

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY MORTGAGED.

**THIS MORTGAGE** (“Mortgage”), entered into as of October 31, 2011, by GES-PORT CHARLOTTE, LLC, a Georgia limited liability company (whether one or more, “Mortgagor”) with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, North Carolina 28078, to RBC BANK (USA), a North Carolina banking corporation (“Bank”), with a mailing address of Post Office Box 1220, Rocky Mount, North Carolina 27802-1220, which address is the place to which all notices and communications should be sent to Bank regarding this Mortgage.

Mortgagor has obtained a future advance loan or other extension of credit from Bank (“Credit Facility”).

The Credit Facility is in an aggregate principal amount up to \$3,600,000 (“Facility Amount”) and is evidenced by a promissory note or promissory notes of even date herewith, in the original aggregate principal amount up to the Facility Amount, from Mortgagor to Bank (whether one or more, “Note”).

Mortgagor desires to secure each and all of the following Indebtedness and obligations by a conveyance of, and the grant of a security interest in, Mortgagor’s interest in the Collateral: (1) payment of all present and future Indebtedness outstanding under and evidenced by the Note, which is in the original principal aggregate amount up to the Facility Amount, and payment of any and all Indebtedness that may now be owed by Mortgagor to Bank and any and all Indebtedness that may in the future be owed by Mortgagor to Bank under other promissory notes or evidences of Indebtedness which recite that the Indebtedness evidence by such other promissory notes or evidences of Indebtedness are secured by this Mortgage or the liens and security interests created by this Mortgage (individually and collectively, both present and future, sometimes the “Obligations”); (2) payment of all sums, with interest thereon at the Contract Rate, now or hereafter advanced under this Mortgage or any one or more of the other Loan Documents to complete construction or furnishing of any improvements, or to maintain, protect, repair, restore or preserve the Collateral; (3) payment of all sums, with interest thereon at the Contract Rate, now or hereafter advanced under this Mortgage or any one or more of the other Loan Documents to maintain, protect, preserve and enforce the liens and security interests created by this Mortgage or any one or more of the other Loan Documents; (4) payment of all sums, with interest thereon at the Contract Rate, now or hereafter advanced to protect and enforce the rights and remedies of Bank hereunder or under any one or more of the other Loan Documents; (5) payment of any and all present and future Indebtedness and other obligations under each one of and all of the Loan Documents that are not encompassed in phrases (1) through (4) of this paragraph, including payment of any and all premiums and other obligations relating to any Rate Management Transaction; (6) performance of the covenants, terms and conditions contained in each one of and all of the Loan Documents; and (7) payment of all monetary obligations incurred by or accrued to Bank during the pendency of any bankruptcy,



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insolvency, receivership or other similar proceedings, regardless of whether allowed or allowable in such proceeding, relative to Mortgagor or any one or more of the Loan Documents.

**NOW, THEREFORE**, in consideration of the premises and for the purpose of securing the Obligations and the other Indebtedness and obligations as aforesaid, and in further consideration of the sum of Ten Dollars (\$10) paid to Mortgagor by Bank, receipt of which is hereby acknowledged, Mortgagor has given, granted, bargained, sold, conveyed and mortgaged, and by these presents does give, grant, bargain, sell, convey and mortgage to Bank, its successors and assigns, upon the representations, warranties, covenants, terms and conditions set forth in this Mortgage, all of Mortgagor's right, title and interest in and to the following property and property rights, both now existing and hereafter arising ("Collateral"): (1) the Land; (2) the Personalty; (3) the Leases and the Rents; (4) all insurance and insurance policies relating to any one or more of the Land, Personalty, Leases and Rents; (5) all condemnation or eminent domain proceeds, or proceeds in lieu thereof, relating to any one or more of the Land, Personalty, Leases and Rents; (6) all licenses, permits, authorizations, usage rights and development rights relating to any one or more of the Land, Personalty, Leases and Rents, including building permits and certificates of occupancy or completion; (7) all other property and property rights described herein and described in any one or more of the Loan Documents; and (8) all proceeds, products, accessions, additions, replacements and substitutions of, for or to the foregoing property and property rights, and all books and records relating to the foregoing property and property rights or used in connection therewith.

**TO HAVE AND TO HOLD** the Collateral, with all the rights, privileges and appurtenances thereunto belonging or appertaining to Bank, its successors and assigns, forever.

Mortgagor covenants with Bank that it holds a valid, enforceable and recorded leasehold estate and interest in the Land and is seized of the balance of the Collateral in fee, and has the right to convey its interest in the Collateral as provided herein; that title is marketable and free and clear of all encumbrances; and that it will warrant and defend the title to the Collateral against the lawful claims of all persons whomsoever, except for any exceptions listed on an attachment hereto ("Permitted Liens").

Mortgagor represents, warrants, covenants and agrees with Bank as set forth above and in the Sections and paragraphs set forth hereinbelow:

### **Maturity Date**

The maturity date of the Obligations, or the latest maturity date of the Obligations if more than one, is October 31, 2016, unless extended or renewed.

### **Future Advances**

This Mortgage secures future advances, provided nothing contained herein will obligate Bank to make any advances to or otherwise extend credit to or for the benefit of Mortgagor or any other person. The terms and conditions under which any advances to or other extensions of credit to or for the benefit of Mortgagor or any other person may be made by Bank are set forth in one or more of the other Loan Documents evidencing or entered into with respect to the Obligations; and those terms and conditions may permit the maximum amount available under some or all of the Obligations to be borrowed and repaid by full or partial payments and from time to time reborrowed/repaid/reborrowed (i.e., decrease or increase from time to time). The other Loan Documents, or one or more of them, set out the period within which any and all future advances or other extensions of credit may be made and obligations incurred under the Obligations, but in no event will such period exceed fifteen (15) years from the date of this Mortgage. The maximum principal amount of the Obligations, including present and future advances and obligations, that may be secured by this Mortgage at any one time is an aggregate amount up to Three Million Six Hundred Thousand Dollars (\$3,600,000), which amount may be more than the Facility Amount if Bank elects, in its discretion, to extend credit to Mortgagor in a principal amount in excess of the Facility Amount. The current principal amount of the Obligations outstanding which are secured by this Mortgage as of the date hereof (including any amounts which have been advanced prior to the date hereof) is One Million Eight Hundred Thousand Dollars (\$1,800,000). No written instrument or notation will be required to evidence or secure any future advances and obligations hereunder.

## **Representations and Warranties**

Mortgagor represents and warrants to Bank that the Collateral (except for the real property constituting the Land, as to which Mortgagor represents and warrants to the best of its knowledge), and Mortgagor's use thereof, is in compliance with all applicable federal, state and local laws, regulations and ordinances, including those pertaining

to: the environment; hazardous materials, substances or wastes; access to, from, in, around and over the Land by persons with physical or other disabilities; land use, including zoning; and, public health, welfare and safety. Mortgagor further represents and warrants to Bank that (1) Mortgagor has all permits, licenses and approvals, whether governmental, quasi-governmental or private, necessary for the use and continued use of the Collateral as shown on Bank's records, (2) there are no hazardous materials, substances or wastes located on, in or under the Land (to the best of mortgagor's knowledge with respect to the real property constituting Land) or used by Mortgagor in connection with the Collateral, and (3) there are no harmful or hazardous levels or concentrations of mold, spores or other fungi on, in or under the improvements on the Land (and to the best of mortgagor's knowledge, on, in or under the real property constituting Land) and there are no harmful or hazardous levels or concentrations of radon or other similar gases on, in or under improvements on the Land (and to the best of mortgagor's knowledge, on, in or under the real property constituting Land).

Mortgagor represents and warrants to Bank as follows: (1) Mortgagor is not a person whose property or interest in property is blocked or subject to blocking pursuant to any laws of the U.S.; (2) Mortgagor is not a person on the list of Specially Designated Nationals and Blocked Persons and Mortgagor is not subject to any limitations or prohibitions under any regulations or orders of the U.S. Department of Treasury's Office of Foreign Assets Control; and (3) Mortgagor is in compliance with and does not engage in any dealings or transactions prohibited by any laws of the U.S., including the USA Patriot Act, the Trading with the Enemy Act or the U.S. Foreign Corrupt Practices Act of 1977, all as amended.

## **Covenants - General**

Mortgagor will pay when due all amounts owing by it, and perform all other obligations required to be performed from time to time by it, under the Obligations, this Mortgage and the other Loan Documents.

Mortgagor will pay when due, all taxes and public and private assessments, levies and charges upon or against the Collateral, of every character which are now liens thereon and any which may hereafter become liens thereon; and immediately deliver to Bank official receipts therefor.

Mortgagor will keep the Collateral insured against loss and damage by fire, tornado and windstorm, and against such other hazards, events and circumstances as Bank may require, including business interruption if Bank so requires (sometimes, "Insurance"). The Insurance must be with companies and on terms and conditions satisfactory to Bank, in its discretion. The policies of Insurance and renewals thereof must, when issued, be immediately delivered to Bank to be held by it, and all insurance policies must provide for at least thirty days (30) prior written notice of cancellation to Bank. Mortgagor will pay all premiums for the Insurance when due and immediately deliver to Bank official receipts therefor. In the event of loss, Mortgagor will give immediate notice by mail to Bank, who may make proof of loss if not made promptly by Mortgagor. All Insurance is hereby assigned to Bank and it is and will be a part of the Collateral. Each insurance company concerned is hereby authorized and directed to make payment of any loss directly to Bank, instead of Mortgagor and Bank jointly. The proceeds of any Insurance, or any part thereof, shall be applied by Bank in accordance with the Loan Agreement.

If required by Bank, Mortgagor will after the occurrence and during the continuance of an Event of Default, pay to Bank, or to Bank's authorized representative, in escrow, the known or estimated yearly amounts for any one or more of the following relating to the Collateral ("Escrow"): taxes, public or private assessments, levies and charges, repairs and replacements, and premiums for Insurance. The terms of the Escrow, including the amounts to be paid and the date or dates on which such payments are to be made by Mortgagor, will be set by Bank at the time Bank requires the establishment of the Escrow, and such terms may be changed by Bank at any time, in its sole discretion.

Mortgagor will keep the Collateral in good order, repair and condition. Mortgagor will not commit or permit any waste to the Collateral. Mortgagor will promptly complete any construction of improvements or furnishing of improvements, and Mortgagor will make all repairs, replacements, additions and improvements to the Collateral as are necessary or otherwise appropriate to maintain the Collateral in a good condition and state of repair – all such construction, furnishing, repairs, replacements, additions and improvements to be lien free as undertaken and when completed. Mortgagor will do and cause to be done – and refrain from doing and causing to be done – such acts relating to the Collateral as Bank may, from time to time, reasonably request. Bank and its authorized representatives will have the right to go upon and inspect at any time the Collateral.

Mortgagor will perform, as and when required, all of its obligations under any and all contracts Mortgagor enters into from time to time with respect to the Collateral, including paying and causing others acting under or on the account of Mortgagor to pay, all persons required to be paid for labor, services, materials, supplies, fixtures, parts,

products or equipment furnished to or in connection with the Collateral as and when such persons are required to be so paid pursuant to the governing agreements, including without limitation, any terms governing dispute resolution. Mortgagor will not, without the prior written approval of Bank, terminate or significantly modify any present or future material contracts relating to the Collateral, including any Leases.

Mortgagor will maintain, protect and preserve the liens and security interests of Bank in the Collateral and the lien position of Bank in the Collateral, including (1) the filing of “claims” under insurance policies within the time periods required under such policies, (2) the filing of appropriate notices, claims and pleadings in any condemnation actions and (3) defending the title to the Collateral and Bank’s liens and security interests therein against adverse claims of any person.

Mortgagor will furnish to Bank, at the sole cost and expense of Mortgagor, such financial and other information respecting Mortgagor and its businesses, including the Collateral, as Bank may from time to time reasonably request. Bank and its authorized representatives will also have the right to audit/copy the books and records maintained and kept in connection with Mortgagor’s businesses, including the Collateral, which books and records will be kept and maintained by Mortgagor in accordance with generally accepted accounting principles. Mortgagor represents and warrants to Bank that Mortgagor has filed and will continue to file, as and when required, all federal, state, local and other tax returns which are required to be filed by it, and has and will continue to pay all taxes due or to be due under such returns.

Mortgagor will give Bank prompt written notice of the institution or threatened institution of any proceedings for eminent domain or for the condemnation of the Collateral or any part or parts thereof. To the extent permitted by applicable law, all compensation, awards and recoveries (collectively “awards”) for or from any condemnation or taking, or proceedings in-lieu thereof, of all or any part of the Collateral or for any damage or injury to it or any loss or diminution in value of the Collateral by reason of the condemnation or other taking, or proceedings in-lieu thereof, of all or any part of the Collateral, are hereby assigned to and will be paid to Bank for application, at Bank’s option, either to the reduction of the Indebtedness and other obligations secured by this Mortgage, or to the restoration or repair of the Collateral. To the extent applicable law does not permit the application of all or any portion of such awards as aforesaid, and without limiting or negating Bank’s existing security interest and lien therein but in furtherance thereof, any awards that can not be so applied are hereby assigned to and Bank is hereby granted a security interest in and lien upon all such awards; and to perfect said security interest and lien, such awards will be paid to Bank, or Bank’s designee, to be held under this Mortgage as additional security for payment of the Obligations and all other Indebtedness and obligations secured by this Mortgage. Mortgagor will execute such further assignments of any such awards as Bank may require.

Mortgagor will not voluntarily or involuntarily, through its direct actions or inactions or indirectly through the actions or inactions of others, sell, assign, convey-in-lieu-of-condemnation, encumber, grant a lien or security interest, lease, demise, rent, transfer, convey or otherwise dispose of all or any part of the Collateral, or any interest, right or estate therein.

Mortgagor will not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Land, whether public or private. Mortgagor will not change the current use being made of the Land or any material part or parts of the remaining Collateral.

## **Covenants – Leasehold**

Mortgagor's interest in and to the Land is a leasehold interest under the following Lease: Site Lease Agreement dated July 22, 2008 between Charlotte County and North American National Resources – Southeast, L.L.C. and assigned to the Mortgagor, as amended (“Leasehold”).

Mortgagor will: (1) pay the rent reserved by the Leasehold, as the same becomes due and payable; (2) promptly perform and observe all of the covenants, terms and conditions required to be performed or observed by the tenant under the Leasehold, and do all things necessary to preserve and keep unimpaired its rights thereunder; (3) promptly notify Bank in writing prior to the scheduled date for the exercise by Mortgagor or any other person of, or any unscheduled exercise by Mortgagor or any other person of, any preemptive rights under the Leasehold, including any options to renew, extend or purchase under the Leasehold, or of the commencement of a proceeding under the federal bankruptcy laws or any state insolvency, receivership or other similar laws by or against the landlord under the Leasehold; (4) in case any proceeds of the Insurance upon the Collateral or any part thereof are deposited with any person other than Bank pursuant to the requirements of the Leasehold or any of the Loan Documents, promptly notify Bank in writing of the name and address of the person with whom such proceeds have been deposited and the amount so deposited; (5) promptly notify Bank in writing of (i) any default under the

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Leasehold by any party thereto, including Mortgagor, (ii) the nature of any default and the steps being taken to cure said default, and (iii) any action taken or threatened to be taken by any party to the Leasehold on account of the default; and (6) promptly notify Bank in writing of any request made by any party to the Leasehold to the other party or parties thereto for arbitration or appraisal proceedings pursuant to the Leasehold, and of the institution of any arbitration or appraisal proceedings, and promptly deliver to Bank a copy of the determination of the arbitrators or appraisers in each such proceeding.

Mortgagor will not surrender nor permit the Leasehold or any leasehold estate and interest therein to be surrendered, nor terminate or cancel or permit the termination or cancellation of the Leasehold. Mortgagor will not, without the prior written consent of Bank, either orally, in writing or electronically, (1) exercise any preemptive rights under the Leasehold, including any purchase options or rights of first refusal, or (2) modify, change, supplement, alter or amend the Leasehold. Mortgagor assigns to Bank all of its preemptive rights under the Leasehold and all of its rights, privileges and prerogatives under the Leasehold to terminate, cancel, modify, change, supplement, alter and amend the Leasehold. Any exercise of preemptive rights by Mortgagor or any other person under the Leasehold or any termination, cancellation, modification, change, supplement, alteration or amendment of the Leasehold by Mortgagor or any other persons, without the prior written consent thereto by Bank, will not be binding upon Bank or enforceable against Bank.

Mortgagor grants to Bank and its authorized representatives and agrees that Bank and its authorized representatives will have the absolute and immediate right, in Bank's sole discretion, to prevent or to cure any default by Mortgagor under the Leasehold and, in connection therewith, contact, negotiate and settle with the landlord and other parties to the Leasehold, or enter in and upon the Land to such extent and as often as Bank, in its sole discretion, deems necessary or desirable in order to prevent or to cure any such default by Mortgagor. Bank may pay and expend such sums of money as Bank, in its sole discretion, deems necessary for any purpose related to the Leasehold, including all those listed in this paragraph.

Unless Bank otherwise expressly consents in writing, the title to the Land and the leasehold estate thereunder will not merge, but will always remain separate and distinct, notwithstanding the union of such estates either in Mortgagor or in a third person by purchase or otherwise. Without limiting the foregoing, but in furtherance thereof, Mortgagor agrees that if Mortgagor, at any time prior to payment in full of the Obligations and other Indebtedness and obligations secured by this Mortgage, acquires fee simple title or any other greater estate to the Land, the lien of this Mortgage will attach to, extend to, cover and be a lien upon such fee simple title or such greater estate.

## **Assignment of Rents**

As further security for the payment of the Obligations and the other Indebtedness and obligations secured by this Mortgage, Mortgagor assigns to Bank all Leases and Rents. Bank will have the absolute and unconditional right, upon the occurrence of an Event of Default hereunder, either by entering upon and taking possession of the Collateral, or otherwise, to do or cause to be done any one or more of the following,

among other things: (1) to complete the construction and furnishing of any improvements and to make all repairs, replacements, additions and improvements to the Collateral as are necessary or otherwise appropriate to maintain the Collateral in a good condition and state of repair; (2) rent or continue renting the Collateral or any part or parts thereof or interests therein, at any reasonable rate of rent determined by Bank; (3) manage and operate the Collateral in such manner as Bank deems necessary or appropriate; and (4) collect the Rents and, after deducting from any Rents actually collected the costs and expenses incurred by Bank relative to any of Bank' s foregoing activities, to apply the remainder to payment of the Obligations and any other Indebtedness and obligations secured hereby, in such order as Bank may determine, unless a specific order of application is mandated under applicable laws. If Mortgagor has executed and delivered to Bank one or more separate assignments of leases, rents and profits, those assignments and the rights and interests created therein will be in addition to and not in substitution of this Mortgage and the rights and interests created hereby and this Mortgage will be in addition to and not in substitution of those separate assignments and the rights and interests created thereby.

### **Security Agreement**

Mortgagor grants to Bank a security interest in the Personalty and any of the other Collateral constituting personal property for the purpose of securing the payment of any and all of the Indebtedness and other obligations secured by this Mortgage, including the Obligations. This Mortgage constitutes a "security agreement" with respect to the Personalty and any of the other Collateral constituting personal property as that term is now or hereafter used in the Uniform Commercial Code ("UCC") as enacted in the jurisdiction whose laws govern this Mortgage. Bank, in addition to its other rights and remedies, will have all of the rights and remedies provided to a secured party now or

hereafter under the UCC as enacted in such jurisdiction, including the right to proceed against the Personalty and any of the other Collateral constituting personal property in accordance with the provisions of the UCC relating to default and enforcement of a security interest by a secured party, or to proceed as to the Collateral, including that which constitutes personal property, in accordance with laws applicable to foreclosure of real estate interests in the jurisdiction whose laws govern this Mortgage, as provided herein. If Mortgagor has executed and delivered to Bank one or more separate security agreements, those security agreements and the security interests created therein will be in addition to and not in substitution of this Mortgage and the liens and security interests created hereby and this Mortgage will be in addition to and not in substitution of those other security agreements and the security interests created thereby. Mortgagor authorizes Bank to file one or more financing statements as Bank deems necessary or appropriate to perfect Bank' s security interest in the Personalty and any of the other Collateral.

### **Default**

The occurrence of any one or more of the following events will constitute a default or an event of default hereunder ("Default" or "Event of Default"): (1) the occurrence of any default or event of default under the Obligations or any of them if more than one, including a failure of Mortgagor to make any payments when due under any of the Obligations, and the failure of such default or event of default to be cured within any applicable grace periods thereunder; (2) Mortgagor' s default under, breach, or failure to perform any material covenant, representation, warranty, term, condition or provision contained in this Mortgage or any of the other Loan Documents, or any other person obligated for payment of any of the Obligations breaches, defaults under or fails to perform any of such person' s material obligations under any of the Loan Documents, and any such defaults, breaches or failures to perform are not remedied to Bank' s satisfaction within three (3) days following notice thereof having been given by Bank to Mortgagor or such other person, as applicable, for monetary breaches or defaults and within fifteen (15) days following notice thereof having been given by Bank to Mortgagor or such other person, as applicable, for non-monetary breaches or defaults; (3) the actual or threatened destruction, demolition, injury or waste to, or taking by condemnation or other eminent domain proceeding of, the Collateral, or any material part or parts thereof, which, in the sole opinion of Bank, impairs the Collateral' s value or may impair its value in any material respect, or threatens the prospect of timely payment and performance by Mortgagor or any other person of any material obligations under this Mortgage or any of the other Loan Documents; (4) the filing or attachment of a lien, security interest or other claim against the Collateral or any part or parts thereof, or interest therein, except ad valorem property taxes for the then current year and a lien or security interest in Bank' s favor, or any of Mortgagor' s other assets, or any material part or portion thereof, or the assets or any material part or portion thereof of any other person obligated for payment of any of the Obligations, are attached, seized, subjected to a writ or distress warrant, or are levied upon, and any such attachments, seizures, warrants or levies are not fully discharged

within thirty (30) days following the date thereof or bonded off in a manner satisfactory to the Bank; (5) Mortgagor's insolvency or bankruptcy or the insolvency or bankruptcy of any other person obligated for payment of any of the Obligations, or the appointment of a receiver for Mortgagor or any other person obligated for payment of any of the Obligations, or any of their respective assets; (6) the making or existence of a material misrepresentation in any loan application or other information provided at any time by Mortgagor or by any other person obligated for payment of any of the Obligations, to Bank in connection with the Obligations; (7) Mortgagor's default under any other Indebtedness or other obligation Mortgagor now owes Bank or which Mortgagor may in the future owe to Bank, or the occurrence of a default under any other present or future Indebtedness or obligation owing to Bank by any other person obligated for payment of any of the Obligations, and the failure of such defaults to be cured within any applicable grace periods; (8) the occurrence of an event of default or other breach under the covenants, terms or conditions of any instrument or other agreement to which this Mortgage is subordinate or which is subordinate to this Mortgage, and the failure of such defaults to be cured within any applicable grace periods; (9) if Mortgagor or any other person obligated for payment of any of the Obligations is an individual, Mortgagor or such other person dies or becomes physically disabled or mentally incompetent, or if Mortgagor or any other person obligated for payment of any of the Obligations is not an individual, Mortgagor or such other person dissolves, terminates its existence, suspends or ceases its business operations or any material part or parts thereof, reorganizes or reconstitutes itself or its ownership structure or merges or consolidates with or into another person, or a Change in Control of the Mortgagor occurs, whether in Mortgagor, such other person, any of Mortgagor's or such other person's respective general partners or members, or otherwise; (10) a determination by Bank that the Collateral or any material part or parts thereof have suffered a substantial decline in value or that a substantial decline in value is probable; (11) a determination by Bank that the prospect of payment or performance by Mortgagor or any other person obligated under all or any of the Loan Documents is insecure in any material respect, or that a material adverse change in the financial condition of Mortgagor or such other person has occurred since the date of this Mortgage; or (12)

Mortgagor's breach of any of the material covenants, terms or conditions contained in the Leasehold or the occurrence of another default under the Leasehold and the failure of such breach or default to be cured within any applicable grace periods thereunder.

### **Remedies**

Upon the occurrence of an Event of Default or any other event defined in this Mortgage as an "event of default" or a "default", Bank will have the right, at its option, (1) to declare all amounts payable under the Obligations, or any one or more of them if more than one, as well as any or all of the other Indebtedness and obligations secured hereby that are not already due hereunder, to be immediately due and payable without notice or demand, whereupon the same will become immediately due and payable, regardless of the maturity date thereof, and (2) to exercise any and all of Bank's other rights and remedies under this Mortgage and the other Loan Documents, as well as any additional rights and remedies Bank may have at law or in equity that are necessary or otherwise appropriate, in Bank's opinion, for Bank to recover full payment of, and to receive or realize full satisfaction on, each one of and all of the Obligations and other Indebtedness and obligations secured by this Mortgage, including Mortgagor's and any other person's Indebtedness and obligations under this Mortgage and the other Loan Documents. Bank's rights and remedies will include foreclosing on the Collateral under the power of sale contained in this Mortgage if such remedy is available or becomes available in the State of Florida, or proceeding at law through a judicial foreclosure on the Collateral.

### **Foreclosure**

Upon the occurrence of an Event of Default or any other event defined in this Mortgage as an "event of default" or "default", Bank is authorized and will have the power to foreclose this Mortgage through one or more suits at law, proceedings in equity or any other proceedings relating to foreclosure of mortgages or collection of Indebtedness secured by a mortgage which are permissible at the time of the occurrence of the Event of Default or other event defined in this Mortgage as an "event of default" or "default", including power of sale if such remedy is available or becomes available in the State of Florida, or judicial foreclosure, without declaration of such option and without notice to Mortgagor, unless notice is required by applicable law. In any proceeding to foreclose this Mortgage or otherwise to collect on the Obligations and other Indebtedness and obligations secured hereby, Bank may sell or cause to be sold at one or more sales the Land and all of the other Collateral constituting real property, together with the Personalty and other Collateral constituting personal property if Bank so chooses, and such part or parts thereof or interests therein as Bank may select, in order to pay the Obligations and all other Indebtedness and

obligations secured hereby, together with all expenses of sale and of all proceedings in connection therewith, including reasonable attorneys' fees actually incurred and all costs of such sale or sales.

In furtherance of the provisions in the above paragraph of this Section and in order to provide Bank the widest possible discretion permitted by law with respect to all aspects of any sale or sales – which Mortgagor agrees Bank is entitled, in the event of any sale or sales under this Mortgage pursuant to any order in any judicial proceedings or otherwise, the Land and all of the other Collateral constituting real property may be sold as an entirety or in separate parcels at one or more sales and in such manner or order as Bank in its sole discretion may elect, and if Bank so elects, Bank may sell the Personalty and other Collateral constituting personal property covered by this Mortgage with the Land and all of the other Collateral constituting real property, or at one or more separate sales in any manner permitted by the Uniform Commercial Code of the State of Florida, and one or more exercises of the rights and remedies herein granted will not extinguish nor exhaust such rights and remedies until the entire Collateral is sold or the Obligations and other Indebtedness and obligations secured hereby are paid in full. Without limiting the foregoing, but in furtherance thereof, if the Obligations or any of them, or any of the other Indebtedness or obligations secured hereby are secured by any other mortgage, deed to secure debt, deed of trust, security deed, security agreement, pledge, assignment, guaranty or other supporting obligation or other security document, Bank may, at its option, exhaust the remedies granted under any of said security documents either concurrently, alternately, successively or independently, and in such order and at such time or times as Bank may determine in its discretion.

Unless a different order of application is mandated under applicable law, proceeds derived from any sale as provided above will be applied to pay, first, costs and expenses of the foreclosure proceeding, including court costs, reasonable attorneys' fees and fees of legal assistants, as well as fees of other professionals such as accountants, reasonable auctioneers' fees if such expenses have been incurred and any other expenses or advances made or incurred in the protection of the rights of Bank or in the pursuit of any remedy hereunder; second, to taxes and assessments due and unpaid, if Bank deems it appropriate to do so; third, to the payment of the Obligations and

any other Indebtedness and other obligations secured by this Mortgage in such order as Bank determines, in its discretion; and fourth, the balance, if any, to the person or persons entitled thereto, or if a conflict exists as to the person or persons entitled thereto, the same will be held by or paid to the circuit court in the county in which the foreclosure was held.

Upon any foreclosure sale or sales of all or any portion of the Collateral as provided herein, Bank may bid for and purchase the Collateral through a credit bid against the Obligations and other Indebtedness and obligations secured hereby, or otherwise.

### **Appointment of Receiver**

Bank will have the absolute and unconditional right, upon the occurrence of an Event of Default hereunder, to apply for and to obtain the appointment of a receiver or similar official for all or a portion of the Collateral, to do or cause to be done any one or more of the things Bank is permitted or authorized to do with respect to the Collateral, or any part or parts thereof or interests therein, under this Mortgage after the occurrence of an Event of Default, including those things listed in the Section of this Mortgage entitled "Assignment of Rents". With respect to any Rents collected by the receiver or similar official, such Rents will be applied first to payment of the costs and expenses incurred by the receiver or other similar official relative to the Collateral and the performance of its duties and responsibilities with respect thereto, including payment of all costs and expenses of constructing or furnishing any improvements and managing and operating the Collateral, and second, to the payment of the Obligations and any other Indebtedness and obligations secured hereby, in such order as Bank may direct in its sole opinion, unless a specific order of application is mandated under applicable laws. In the event Bank does apply for a receiver or other similar official, Mortgagor consents to the appointment of such receiver or similar official without prior notice to Mortgagor and without the receiver or similar official having to post a bond or other security.

### **Protection of Security**

Both before and after the occurrence of an Event of Default, Bank may do and cause to be done any one or more of the following, all at its option and without any obligation to do so: (1) pay any out-of-pocket sums for which Mortgagor or any other person is obligated to pay under

any of the Loan Documents; (2) perform or cause to be performed the obligations of Mortgagor or any other person under any of the Loan Documents; and (3) take such other actions as Bank deems necessary to maintain, repair, restore, preserve, protect and safeguard the Collateral and to maintain, protect, preserve and enforce the liens and security interests created by any one or more of the Loan Documents, including completing any construction related to the Collateral, completing furnishing of the Collateral, managing the Collateral and selling, transferring or otherwise disposing of the Collateral. In connection with any and all of the foregoing Bank may advance, pay or expend such sums as Bank, in its discretion, deems proper or necessary. Bank's doing of any of the foregoing will not constitute a waiver of any Event of Default or right arising because of an Event of Default.

### **Payment of Costs and Expenses**

Without limiting any other provision of this Mortgage relating to Mortgagor's payment of costs and expenses incurred by Bank and those incurred by others on behalf of Bank, but in addition thereto, Mortgagor will pay to Bank, on demand, each and all of any out-of-pocket costs and expenses incurred by Bank, incurred by others on behalf of Bank or incurred by Bank for Mortgagor in order to meet Bank's requirements under the Commitment. Mortgagor will pay to Bank, on demand, any and all out-of-pocket costs and expenses incurred or paid by Bank and those incurred or paid on behalf of Bank in doing any one or more of the following: (1) in maintaining, protecting, preserving and enforcing Bank's liens and security interests in the Collateral, or in maintaining, repairing, restoring, preserving, protecting and safeguarding the Collateral, including all out-of-pocket costs and expenses incurred or paid in completing any construction related to the Collateral, completing furnishing of the Collateral, managing the Collateral or selling, transferring or otherwise disposing of the Collateral; (2) in collecting any amount due and owing under each one of and all of the Loan Documents; and (3) in undertaking or otherwise enforcing Bank's other rights and remedies hereunder and under the other Loan Documents with respect to the Collateral and the Indebtedness and other obligations evidenced or secured by any one or more of the Loan Documents, including enforcement of any and all of Mortgagor's performance obligations. All of the foregoing costs and expenses will be paid with interest thereon at the Contract Rate from the date paid or incurred by or on behalf of Bank until such costs and expenses are paid by Mortgagor. All sums so paid and expended by Bank, and the interest thereon, will be added to and be secured by Bank's liens and security interests in the Collateral.

### **Cancellation of Mortgage**

If at any time during the period of this Mortgage there is no balance outstanding under any of the Obligations, no obligation, whether obligatory, non-obligatory or otherwise, of Bank to make any further or additional advances to any person under the Obligations or otherwise under any of the Loan Documents, and all Indebtedness and other obligations secured by this Mortgage and secured or evidenced by any of the other Loan Documents have been paid and satisfied in full, Bank will, upon written request of Mortgagor and at Mortgagor's costs and expense, if permitted by applicable law, execute and deliver to Mortgagor a reconveyance or satisfaction of this Mortgage. Unless earlier cancelled as provided in the preceding sentence and without extending the due date of any payment and the date of performance of any obligation under this Mortgage or any of the other Loan Documents, and assuming no other provision in this Mortgage specifically provides to the contrary, the period of this Mortgage (including its lien and security interest) and the period by which all of the terms and conditions of this Mortgage are required to be finally and fully performed will be a date thirty (30) years from the date of this Mortgage.

### **General Terms**

This Mortgage and the other Loan Documents, including the Obligations, are incorporated into each other and they are each a part of the other.

The terms and conditions of one or more of the Loan Documents may include, among other things, provisions for the increase or decrease in the principal amount of the Obligations, adjustment of the interest rate or rates applicable to the Obligations, adjustments in payments relative to the Obligations and extension or renewal of the maturity date or dates of the Obligations. One or more of the Loan Documents may also contain provisions permitting other adjustments in the Obligations and the other Indebtedness and obligations secured hereby.



All of the Loan Documents will be applied and enforced in harmony with and in conjunction with each other to the end that Bank realizes fully upon its rights and remedies in each and the liens and security interests created by each; and, to the extent conflicts exist between this Mortgage and the other Loan Documents, including conflicts relative to the meanings/use of terms, they will be resolved in favor of Bank for the purpose of achieving the full realization of Bank's rights and remedies and the liens and security interests as aforesaid.

The recitals are part of this Mortgage. All exhibits and other attachments to this Mortgage are incorporated herein.

If two or more persons have joined as Mortgagor, each of the persons will be jointly and severally obligated to perform Mortgagor's obligations in this Mortgage.

Mortgagor's representations and warranties to Bank in this Mortgage and the other Loan Documents will be deemed continuing representations and warranties from Mortgagor to Bank.

Mortgagor will indemnify, defend and hold harmless Bank from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, judgments, costs and expenses (including clean-up costs) of every kind and nature suffered by or asserted against Bank from (1) a breach by Mortgagor of any material warranty or representation made by Mortgagor in this Mortgage or any of the other Loan Documents, or any material warranty or representation made by Mortgagor in this Mortgage or any of the other Loan Documents being false or untrue in any material respect, (2) a breach by Mortgagor of any material covenant or agreement made or given by Mortgagor in this Mortgage or any of the other Loan Documents, (3) suits, actions or other proceedings by any receiver, trustee in bankruptcy, debtor-in-possession or other person on account of any alleged preference or fraudulent transfer received or alleged to have been received from Mortgagor or any other person as the result of any transaction under this Mortgage or any of the other Loan Documents, or (4) suits, actions or proceedings to recover damages or other relief, whether legal or equitable, for any acts or omissions of Bank in pursuing its rights or remedies under this Mortgage or any of the other Loan Documents against Mortgagor or any other person obligated on any of the Obligations, or the Collateral. Mortgagor's obligations under this indemnification will survive termination or cancellation of this Mortgage and the other Loan Documents.

Mortgagor waives the benefit of all present and future homestead, appraisalment, valuation, stay, extension, reinstatement and redemption laws, and all rights to require marshalling.

**Mortgagor, to the extent permitted by law, waives any right to a trial by jury in any action arising from or related to this Mortgage.**

This Mortgage will be governed by and construed in accordance with the laws of the State of Florida, excluding, however, the conflict of law and choice of law provisions thereof.

All of Bank's rights and remedies under this Mortgage and under the other Loan Documents and those available to Bank at law and in equity, may be exercised by Bank from time to time concurrently, alternatively, successively or

cumulatively, as Bank elects; and unless otherwise specifically provided to the contrary herein, such rights and remedies may be exercised both before and after the occurrence of a Default.

No delay or forbearance by Bank in exercising any of its rights and remedies under this Mortgage or under any of the other Loan Documents, or its rights and remedies otherwise afforded by law or in equity will operate as a waiver thereof or preclude the exercise thereof at any subsequent time.

If any provision under this Mortgage or any of the other Loan Documents is prohibited or invalid under any applicable laws, such provision will be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Mortgage or the other Loan Documents.

Mortgagor does hereby irrevocably constitute and appoint Bank its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to do or cause to be done such acts as Bank, in its sole discretion, deems necessary and advisable to effect the terms and conditions of this Mortgage and the other Loan Documents and to otherwise realize Bank's rights, authority and powers hereunder and thereunder, and the benefits provided to Bank herein and therein. The foregoing appointment is and the same will be coupled with an interest in Bank's favor.

Subject to the limitations on Mortgagor's right to assign set forth herein and any other limitations on assignment in any of the other Loan Documents, the covenants, terms and conditions contained in this Mortgage will bind, and the benefits and powers will inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. At any time or times and without notice to Mortgagor or any other person, Bank may assign any or all of the Obligations or sell or transfer one or more participations in any of the Obligations, and in connection with any such assignments, sales or other transfers, may assign Bank's rights and benefits under this Mortgage and any of the Loan Documents in whole or in part; and, this Mortgage will apply to, be binding upon and inure to the benefit of each one of and all of Bank's participants, successors and assigns, including any agent that may administer or service any of the Obligations for any holder of any of the Loan Documents, or any assignees, transferees or participants.

All notices and other communications under this Mortgage will be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses of the parties as set forth in this Mortgage. Mortgagor and Bank may, by written notice given hereunder, designate a different address where communications should be sent and Bank may direct, by notice to Mortgagor, for communications to be sent electronically or in some other non-tangible medium.

This Mortgage may be changed only by an agreement in writing signed by Bank and Mortgagor, unless otherwise provided herein.

Bank may retain this Mortgage and the other Loan Documents in an electronic medium or other non-tangible medium that permits such records to be retrieved in a perceivable form.

### **Definitions**

In this Mortgage the following terms and phrases will have the meaning ascribed to them below, and any terms or phrases used in this Mortgage that are not defined herein or whose uses are not explained herein but that are defined in any of the other Loan Documents, or the uses thereof are explained in any of the other Loan Documents, will have the meanings/uses given in such other Loan Documents.

“Commitment” means the term sheet dated October 5, 2011 between the Mortgagor and the Bank.

“Contract Rate” means the contract rate at which interest accrues from time to time on the Obligations, or if there is more than one, the highest rate under all of the Obligations; and if interest accrues at different contract rates, any one of the contract rates which interest accrues as selected by Bank, in its sole discretion, which rate may be fixed or variable.

“Indebtedness” means with respect to any person, any and all of the following indebtedness, obligations and liabilities, together with any and all renewals, extensions, modifications, amendments, changes, consolidations, replacements or substitutions thereof or therefor, whether jointly with others or individually, as a debtor, maker, co-maker, drawer, endorser, guarantor, surety or otherwise, and whether voluntarily or involuntarily incurred, due or not due, absolute or contingent, direct or indirect, liquidated or unliquidated: (i) all indebtedness, obligations and liabilities of such person for money borrowed; (ii) all indebtedness, obligations and liabilities of such person for the acquisition of property; (iii) all indebtedness, obligations and liabilities secured by any lien on the property of such person whether or not such indebtedness, obligations and liabilities are the personal obligation of such person; (iv) all indebtedness, obligations and liabilities of such person by way of endorsements (other than for collection or

deposit of negotiable instruments in the ordinary course of business); (v) all indebtedness, obligations and liabilities of such person under agreements relating to derivatives transactions (e.g. interest rate swaps, caps, floors or collar transactions, or other similar transactions made

pursuant to an International Swap Dealers Association, Inc. Master Agreement or similar agreement); (vi) all contingent obligations; (vii) all capitalized leases; (viii) all synthetic leases; (ix) and, all other items which in accordance with GAAP are classified as liabilities on a balance sheet, provided, however, with respect to the foregoing, "Indebtedness" will not include any consumer credit as defined under the Federal Reserve Board's Regulation Z (Truth-in-Lending)(12 CFR 226 et. seq.), and (2) current casualty or liability insurance premiums that are at any time financed in ordinary course of Mortgagor's business by a third-party in the business of financing insurance premiums.

"Land" means the real property described on Exhibit A attached hereto, together with (i) all buildings and other improvements now located thereon and all buildings and improvements located thereon in the future and (ii) all rights now or in the future appurtenant thereto.

"Leases" means all present and future leases, rental agreements and other demising agreements with respect to either or both the Land and Personalty, or any part or parts thereof or interests therein, now existing or hereafter made, executed and delivered (whether written, electronic or verbal), and all present and future extensions, renewals, modifications and amendments thereof, and substitutions and replacements therefor and all present and future security deposits and escrows related thereto.

"Loan Documents" means this Mortgage, the evidences of the Obligations, including the Note, the loan agreements and other credit agreements executed/delivered or to be executed/delivered in connection with any one or more of the Obligations, and any other instruments, agreements, statements, reports, opinions, resolutions, certifications, affidavits, documents and records now or hereafter evidencing any one or more of the Obligations, securing any one or more of the Obligations or delivered or furnished in connection with any one or more of the Obligations, which may include deeds to secure debts, security deeds, mortgages, deeds of trust, assignments, security agreements, pledge agreements, guaranty agreements, control agreements, collateral assignments, financing statements, opinions, resolutions, certifications, affidavits and rate management agreements. A reference to the Loan Documents includes each one of and all such documents as amended, modified, extended, renewed, supplemented, restated, substituted or replaced from time to time, whether in whole or in part.

"Mortgage" means this Mortgage.

"Obligations" means, as the context requires, either or both an Indebtedness and the evidence of an Indebtedness secured by this Mortgage as described in the recitals to this Mortgage, and includes extensions, renewals, modifications, amendments, changes, substitutions and replacements thereof and therefor, in whole and in part.

"Personalty" means all furnishings, fixtures, equipment, inventory and other tangible personal property, both now owned and all of the foregoing which may be hereafter acquired by Mortgagor, that are or may be in the future incorporated into, made a part of, attached to, located on, under or above, contained in, or used in connection with either or both the Land and Improvements, or any portion thereof or appurtenances thereto, wherever located, whether in Mortgagor's possession and control, in transit or in storage and all replacements thereof, all articles in substitution therefor and all accessions thereto, whether or not the same are or will be attached to the Land in any manner, together with all accounts, promissory notes and other instruments, chattel paper (both tangible and electronic), contracts and contract rights, documents, deposit accounts, monies, investment property, financial assets and general intangibles of every nature and kind related to, used in connection with or arising out of or from the Collateral, both now owned and all of the foregoing which may be hereafter acquired by Mortgagor, and all property described in any collateral assignments to the extent the same constitutes personal property, together with proceeds and products of all the foregoing and books and records related to all of the foregoing.

"Rate Management Transaction" means any transaction and all agreements with respect thereto, now existing or hereafter entered into between Mortgagor and Bank or others on Bank's behalf, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction or any combination thereof (including any option with respect to any of these transactions), whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures (the agreements relating to Rate Management Transactions are part of the Loan Documents).

“Rents” means all present and future rents, issues, profits, revenues, royalties, accounts, moneys, rights and other benefits arising from, related to and otherwise connected to or flowing from all, or any part or parts of any one or more of the Land, Personalty and Leases, or interests therein.

**Use of Terms**

In using and applying the various terms, provisions and conditions in this Mortgage, the following will apply: (1) words in the neuter gender mean and include correlative words of the feminine and masculine genders and words importing the singular numbered meaning include the plural number or a collective reference, and vice versa; (2) as the context requires, “and” may have a joint meaning or a several meaning and “or” may have an inclusive meaning or an exclusive meaning; (3) the word “all” includes “any” and the word “any” includes “all”; (4) the words “include” or “including” will mean “without limitation”; (5) words importing persons include individuals and organizations; (6) the phrase “costs and expenses”, or variations thereof, will include fees of receivers or other similar officials, reasonable attorneys’ fees and fees of legal assistants, reasonable fees of accountants, engineers, surveyors, appraisers and other professionals or experts, and the costs and expenses incurred by any of the foregoing, whether in the investigation, prosecution or defense of any matter or otherwise, and inclusive of fees, costs and expenses of the foregoing incurred in connection with and during the pendency of the reorganization, receivership, insolvency or bankruptcy of Mortgagor or any person obligated for payment of any of the Obligations; and (7) any reference to the “Collateral” includes, as the context requires, all of the Collateral, part or parts thereof and interest or interests therein.

**Jurisdiction Specific Provisions**

**Future Advance Mortgage.** This Mortgage secures not only existing Indebtedness, but future advances, whether such future advances are obligatory or to be made at the option of Bank or otherwise, all as provided in and with the force and effect as set forth in this Mortgage and in Section 697.04 of the Florida Statutes (1997), as amended from time to time (“Fla. Stat.”) (including, without limitation, lien priority for all advances as provided in such statute).

**Additional Event of Default.** In addition to the Events of Default set forth in this Mortgage under the Section entitled “Default” and elsewhere, the following will be an Event of Default under this Mortgage: If Mortgagor, pursuant to Fla. Stat. §697.04(1)(b) will file a notice limiting the maximum principal amount that may be secured by this Mortgage.

**Assignment of Rents.** Without limiting Bank’ s rights and remedies under this Mortgage, including those set forth in the Section entitled “Assignment of Rents”, but in addition thereto, Bank will have the rights and remedies, and will be entitled to all of the benefits available to a “mortgagee” under the provisions of Fla. Stat. §697.07; and the provisions of Fla. Stat. §697.07 and the rights and remedies set forth in the Section entitled “Assignment of Rents” and elsewhere in this Mortgage will be applied in such a manner so as to ensure to Bank repayment of the Obligations and all other Indebtedness or obligations secured by this Mortgage.

[Signatures Appear on the Following Page]

**EXECUTED** by the undersigned under SEAL as of the date of this Mortgage.

WITNESS:

GES – PORT CHARLOTTE, LLC

By: Lime Energy Asset Development, LLC, its sole member and manager

By: \_\_\_\_\_ (SEAL)

Eric Dupont  
President

COMMONWEALTH/STATE OF \_\_\_\_\_ : )  
\_\_\_\_\_ ) ss.  
COUNTY OF \_\_\_\_\_, TO WIT: \_\_\_\_\_ )

I, the undersigned Notary Public, in and for the jurisdiction aforesaid, do hereby certify that, Eric Dupont, as President of Lime Energy Asset Development, LLC, the sole member of GES-Port Charlotte, LLC, known to me to be, or satisfactorily proven to be the person whose name is subscribed to the foregoing document, personally appeared before me in the jurisdiction set forth above and acknowledged himself to be the GES-Port Charlotte, LLC a Georgia limited liability company, and that he/she, in such capacity, being authorized so to do, executed the foregoing document for the purposes therein contained, by signing his name on behalf of the limited liability company.

GIVEN under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
(SEAL)  
Notary Public

My Notary Registration number is:  
My commission expires:

EXHIBIT A

PROPERTY DESCRIPTION

A Lease Area, being a portion of the Zemel Road Landfill lying in Section 25, Township-42-South, Range-23-East, Charlotte County, Florida, and being more particularly described as follows: Lease 1

Commence at the Northwest corner of said Section 25; thence South 89°31' 42" East, along the North line of said Section, being the same as the North right-of-way line of Zemel Road (a 60 foot right-of-way as now established), 59.24 feet; thence South 00°18' 08" West, departing said North line, 60.00 feet to the South right-of-way line of said Zemel Road; thence continue South 00°18' 08" West, 841.60 feet; thence North 90°00' 00" East,, 124.07 feet to a point of curvature; thence Southeasterly along the arc of a curve concave Southwesterly and having a radius of 100.00 feet, through a central angle of 71°33' 54" an arc distance of 124.90 feet to a point of tangency, said curve being subtended by a chord bearing and distance of South 54°13' 03" East, 116.94 feet; thence South 18°26' 06" East, 43.29 feet to a point of curvature; thence Southeasterly along the arc of a curve concave Northeasterly and having a radius of 550.00 feet, through a central angle of 21°12' 19" an arc distance of 203.55 feet to a point of tangency, said curve being subtended by a chord bearing and distance of South 29°02' 15" East, 202.40 feet; thence South 39°38' 24" East, 276.87 feet; thence Southeasterly along the arc of a curve, non-tangent to last described line, concave Southwesterly and having a radius of 458.29 feet, through a central angle of 25°52' 28" an arc distance of 206.96 feet to the end of said curve, said curve being subtended by a chord bearing and distance of South 23°42' 09" East, 205.21 feet; thence South 0°40' 15" East, non-tangent to last described curve, 999.13 feet; thence South 71°08' 00" West, 127.51 feet; thence Southwesterly along the arc of a curve, non-tangent to last described line, concave Southeasterly and having a radius of 56.71 feet, through a central angle of 63°58' 24" an arc distance of 63.32 feet to the end of said curve, said curve being subtended by a chord bearing and distance of South 32°18' 45" West, 60.09 feet; thence South 01°44' 09" East, non-tangent to last described curve, 229.27 feet; thence North 89°59' 51" East, 149.86 feet; thence South 00°43' 03" East, 1262.08 feet; thence South 89°44' 53" East, 1586.16 feet; thence North 00°00' 27" West, 885.78 feet; thence North 90°00' 00" West, 15.00 feet to the Point of Beginning; Thence North 00°00' 00" East, 92.93 feet; thence North 45°00' 00" East, 102.55 feet; thence North 90°00' 00" East, 138.40 feet; thence South 00°00' 00" East, 165.44 feet; thence North 00°00' 00" West, 210.91 feet to the Point of Beginning.

Containing 0.74 acres, more or less.

A Lease Area, being a portion of the Zemel Road Landfill lying in Section 25, Township-42-South, Range-23-East, Charlotte County, Florida, and being more particularly described as follows: Lease 2

Commence at the Northwest corner of said Section 25; thence South 89°31' 42" East, along the North line of said Section, being the same as the North right-of-way line of Zemel Road (a 60 foot right-of-way as now established), 59.24 feet; thence South 00°18' 08" West, departing said North line, 60.00 feet to the South right-of-way line of said Zemel Road; thence continue South 00°18' 08" West, 841.60 feet; thence North 90°00' 00" East, 124.07 feet to a point of curvature; thence Southeasterly along the arc of a curve concave Southwesterly and having a radius of 100.00 feet, through a central angle of 71°33' 54" an arc distance of 124.90 feet to a point of tangency, said curve being subtended by a chord bearing and distance of South 54°13' 03" East, 116.94 feet; thence South 18°26' 06" East, 43.29 feet to a point of curvature; thence Southeasterly along the arc of a curve concave Northeasterly and having a radius of 550.00 feet, through a central angle of 21°12' 19" an arc distance of 203.55 feet to a point of tangency, said curve being subtended by a chord bearing and distance of South 29°02' 15" East, 202.40 feet; thence South 39°38' 24" East, 276.87 feet; thence Southeasterly along the arc of a curve, non-tangent to last described line, concave Southwesterly and having a radius of 458.29 feet, through a central angle of 25°52' 28" an arc distance of 206.96 feet to the end of said curve, said curve being subtended by a chord bearing and distance of South 23°42' 09" East, 205.21 feet; thence South 0°40' 15" East, non-tangent to last described curve, 999.13 feet; thence South 71°08' 00" West, 127.51 feet; thence Southwesterly along the arc of a curve, non-tangent to last described line, concave Southeasterly and having a radius of 56.71 feet, through a central angle of 63°58' 24" an arc distance of 63.32 feet to the end of said curve, said curve being subtended by a chord bearing and distance of South 32°18' 45" West, 60.09 feet; thence South 01°44' 09" East, non-tangent to last described curve, 229.27 feet;

thence North 89°59' 51" East, 149.86 feet; thence South 00°43' 03" East, 1262.08 feet; thence South 89°44' 53" East, 1586.16 feet; thence North 00°00' 27" West, 885.78 feet; thence North 90°00' 00" East, 195.91 feet; thence North 00°00' 00" East, 165.44 feet; thence North 90°00' 00" East, 194.79 feet to a point of curvature; thence Northeasterly along the arc of a curve concave Northwesterly having a radius of 25.00 feet, through a central angle of 88°54' 10" an arc distance of 38.79 feet to a point of tangency, said curve being subtended by a chord bearing and distance of North 45°32' 55" East, 35.02 feet; thence North 01°05' 50" East, 117.32 feet; thence North 00°53' 36" West, 351.61 feet; thence North 00°06' 47" West, 461.41 feet; thence North 71°21' 09" East, 130.69 feet to the Point of Beginning; thence continue North 71°21' 09" East, 115.61 feet; thence South 60°00' 00" East, 310.02 feet; thence South 30°00' 00" West, 112.75 feet; thence North 70°00' 00" West, 170.00 feet; thence North 35°00' 00" West, 131.28 feet to the Point of Beginning.

Containing 0.73 acres, more or less.

An Easement for Utilities, being a portion of the Zemel Road Landfill lying in Section 25, Township-42-South, Range-23-East, Charlotte County, Florida and being more particularly described as follows: Easement

Commence at the Northwest corner of said Section 25, thence South 35°50' 01" East, 3940.43 feet to the Point of Beginning; thence North 19°49' 04" East, 38.59 feet; thence North 89°52' 54" West, 7.43 feet; thence North 00°07' 06" East, 6.00 feet; thence South 89°52' 54" East, 9.58 feet; thence North 19°49' 04" East, 5.31 feet; thence South 89°52' 54" East, 402.63 feet; thence North 00°00' 00" East, 435.26 feet; thence North 90°00' 00" East, 16.00 feet; thence South 00°00' 00" West, 440.29 feet; thence South 89°52' 54" East, 7.01 feet; thence South 00°07' 06" West, 6.00 feet; thence North 89°52' 54" West, 6.99 feet; thence South 00°00' 00" East, 5.00 feet; thence North 89°52' 54" West, 5.00 feet; thence South 00°00' 00" West, 18.99 feet; thence North 90°00' 00" West, 6.00 feet; thence North 00°00' 00" East, 19.01 feet; thence North 89°52' 54" West, 396.40 feet; thence South 19°49' 04" West, 39.00 feet; thence North 70°10' 56" West, 16.00 feet to the Point of Beginning.

Containing 0.33 acres, more or less.

RBC Bank

**COLLATERAL ASSIGNMENT OF  
SITE LEASE AGREEMENT**

THIS COLLATERAL ASSIGNMENT OF SITE LEASE AGREEMENT is made as of October 31, 2011 (this “**Agreement**”), by and between GES – PORT CHARLOTTE, LLC, a Georgia limited liability company (“**Assignor**”), with a mailing address of c/o Lime Energy Asset Development, LLC 16810 Kenton Drive Suite 240 Huntersville, NC 28078 and RBC BANK (USA) (“**Bank**”), with a mailing address of 75 Fifth Street, NW, Suite 900, Atlanta, Georgia 30308.

RECITALS

A. NORTH AMERICAN NATURAL RESOURCES-SOUTHEAST, L.L.C., a Michigan limited liability company (“**North American**”) and CHARLOTTE COUNTY, a political subdivision of the State of Florida (the “**County**”) have entered into that certain Site Lease Agreement dated July 22, 2008, and amended November 8, 2010 (as the same may be amended, modified or restated from time to time, the “**Contract**”). Pursuant to the Contract, the County agreed to lease to North American the real property described as Zemel Road Landfill tract, and attached thereto as Exhibit “1” and Exhibit “2”, for the construction of a landfill gas control and collection system and an energy facility for converting the gas into electricity as described in Contract No. 2008000121.

B. Assignor has entered into that certain Assignment and Assumption Instrument effective as of January 26, 2009 (the “**Assignment Agreement**”) with North American, for Assignor to assume from North American all of North American’s rights, obligations, liabilities, titles and interests in and to the Contract.

C. Assignor desires to obtain extensions of credit from Bank (the “**Loan**”), pursuant to that certain Loan Agreement, dated as of the date hereof (as the same may be amended, modified or restated from time to time, the “**Loan Agreement**”).

D. The Loan is secured by, among other things, that certain (i) Mortgage, Assignment of Rents and Security Agreement, dated as of the date hereof (the “**Mortgage**”), by Assignor to or for the benefit of Bank, granting, and creating, among other things, a lien on the Project and (ii) Security Agreement, dated as of the date hereof (the “**Security Agreement**”), by and between Assignor and Bank (the Loan Agreement, the Mortgage and the Security Agreement, together with certain other documents executed and delivered in connection with the Loan, are hereinafter collectively referred to as the “**Loan Documents**”).

E. As a condition precedent to the making of the Loan, Bank requires that Assignor collectively assign to Bank all of its rights, title and interest in the Contract. The parties wish to establish the terms and conditions of such assignment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Agreement, including its preamble and recitals, shall have the meanings given to them in the Loan Agreement.
2. **Recitals.** The parties hereto acknowledge and agree that the above Recitals are true and correct in all material respects and that the same are incorporated herein and made a part hereof by reference.

3. **Collateral Assignment.** As additional security for the performance and discharge of all of the Liabilities, Assignor hereby collaterally grants, assigns, transfers and sets over a security interest in favor of Bank, in and to all of Assignor's right, title and interest in and to the Contract and all amounts due and payable to Assignor or paid to Assignor thereunder or with respect thereto, including but not limited to, amounts owed or paid to Assignor for any contractual breach, any misrepresentation or breach of warranty, any indemnification or any price adjustments or offsets (all such amounts, the "**Contract Payments**").

4. **Assumption of Obligations.** Assignor agrees that Bank does not assume any of the obligations or duties of Assignor under or with respect to the Contract unless and until Bank shall have given the County written notice that it has affirmatively exercised its right to take possession of the Project while an Event of Default exists under the Loan Documents. Bank may, in its absolute discretion, reassign its right, title and interest in the Contract without any requirement for Assignor's consent. Assignor shall faithfully keep and perform, or cause to be kept and performed, all of the covenants, conditions and agreements contained in the Contract, now or hereafter existing, on the part of Assignor to be kept, except for such non-compliance as would not give the County the right to terminate the Contract or to exercise remedies thereunder, and shall exercise its rights in good faith to compel, when deemed advisable in Assignor's good faith reasonable business judgment, performance by the County of all material obligations, covenants and agreements by the County to be performed under the Contract.

5. **Representations and Warranties.** Assignor represents and warrants that (a) attached hereto as Exhibit A is a true, correct and complete copy of the Contract, together with all amendments, modifications and supplements thereto, (b) to Assignor's knowledge, no Contract or Contract Payment has been or is the subject of any other assignment, pledge, security interest, title retention agreement or other encumbrance involving the Assignor (c) the Contract and the Assignment Agreement are valid, enforceable agreements against the Assignor, that Assignor has full power and authority to execute and deliver this Agreement, and (d) to Assignor's knowledge, no party is in default under the Contract.

6. **Certain Covenants of Assignor.** Except as permitted in the Loan Agreement, Assignor agrees (a) not to further assign or otherwise transfer its interest in the Contract so long as this Agreement is in effect and (b) at Bank's request, while an Event of Default exists, the Assignor agrees to deliver to Bank all original and other documents evidencing and relating to the Contract and this Agreement.

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7. **Remedies.** While an Event of Default exists and in addition to all other rights and remedies of Bank, whether provided under law or otherwise, Bank shall have the following rights and remedies which may be exercised without notice to, or consent by, the Assignor, except as such notice or consent is expressly provided for herein:

A. Subject to the terms of the Contract, upon thirty (30) days prior notice to the Assignor, Bank may assign, sell or otherwise dispose of the Assignor's rights, title and interest in and to any or all of the Contract and Contract Payments or any part thereof, either with or without special conditions or stipulations. Subject to the terms of the Contract, Bank shall have the power to execute assurances on behalf of the Assignor and perform all other acts which Bank may, in Bank's reasonable discretion, deem appropriate or proper to complete such assignment, sale or disposition, and Bank shall also have the power to purchase the Assignor's right, title and interest in and to any or all of the Contract and Contract Payments or any part thereof.

B. Bank may first apply the proceeds actually received from any such assignment, sale or other disposition of the Contract to the reasonable costs and expenses thereof actually incurred, including, without limitation to, reasonable attorneys' fees and all legal, travel and other expenses which may be actually incurred by Bank. Thereafter, Bank may apply any remaining proceeds to such of the Liabilities as Bank may elect in its sole discretion. Assignor shall remain liable to Bank for any expenses or Liabilities remaining unpaid after the application of such proceeds.

C. Nothing contained herein shall be construed as requiring Bank to take any such action at any time. All of Bank's rights and remedies, whether provided under law, the Obligations, this Agreement or otherwise shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively or concurrently.



8. **Assignor's Rights.** While no Event of Default exists under any other Loan Document, insofar as the Assignor may have any right, privilege of claim against the County under the Contract, including, without limitation, any of its rights and remedies arising out of a breach of any representations, warranties and covenants under the Contract, Assignor will enforce such rights and remedies in good faith in the exercise of its reasonable business judgment. Assignor agrees that this Agreement shall constitute a perfected, absolute and present assignment provided that Bank will not enforce the provisions of the Contract until an Event of Default has occurred under the Loan Documents. While an Event of Default exists, Bank may, without affecting any of its rights or remedies against Assignor under any other instrument, document or agreement, exercise its rights under this Agreement in any manner permitted by law.

9. **Power of Attorney.** Assignor does hereby irrevocably constitute and appoint Bank its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to do or cause to be done, at any time after the occurrence and during the continuance of an Event of Default such acts as Bank, in its sole discretion and as permitted under Section of the Loan Agreement, deems necessary and advisable to effect the terms and conditions of this Assignment and to otherwise realize Bank's rights, authority and powers hereunder, and the

benefits provided to Bank herein. The foregoing appointment is and the same will be coupled with an interest in favor of Bank.

10. **Covenant to Disclose.** Assignor shall promptly notify the Bank in writing if it receives notice from the County that a breach has occurred under the Contract or if Assignor alleges that the County has breached the Contract.

11. **No Oral Modifications or Waivers; Governing Law.** This Agreement may not be modified orally nor any of its provisions waived, but only in a writing signed by the party against whom such modification or waiver is sought to be enforced. This Agreement shall be governed by the laws of the State of Georgia, without regard to its principles of conflicts of laws.

12. **Costs and Expenses.** Assignor agrees to pay all costs and expenses (including without limitation reasonable attorneys' fees) which Bank may actually incur in exercising any of its rights under this Agreement.

13. **No Waiver.** Any failure or delay by Bank to require strict performance by Assignor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document or instrument, shall not affect Bank's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the representations, warranties, terms, conditions and provisions contained herein or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of Bank, its agents, officers or employees, but only by an instrument in writing, signed by an officer of Bank and directed to Assignor, specifying such waiver.

14. **Entire Agreement.** This Agreement when executed by the parties hereto contains the complete and entire understanding of the parties with respect to the subject matter hereof, and no changes shall be recognized as valid unless they are made in writing and similarly executed.

15. **Parties; Assignment.** This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. Assignor may not assign its interest in this Agreement without Bank's prior written consent. Bank may assign its interest in this Agreement without Assignor's consent or notice to Assignor.

16. **No Partnership.** Nothing herein contained shall constitute Bank as a joint venturer, partner or agent of Assignor or render Bank liable for any debts or obligations of Assignor, nor shall Bank be liable for any acts, omissions, representations or contracts of Assignor.

17. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

[Signatures Appear of the Following Page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to be effective on the date first written above.

**BANK:**

RBC BANK (USA)

By: \_\_\_\_\_  
Brendan McGuire  
Senior Vice President

**ASSIGNOR:**

GES – PORT CHARLOTTE, LLC

By: Lime Energy Asset Development, LLC, its sole member and  
manager

By: \_\_\_\_\_  
Eric Dupont  
President

(Signature Page to Collateral Assignment of Site Lease Agreement)

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EXHIBIT "A"

CONTRACT

See attached

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Schedule Prepared in Accordance with Instruction 2 to Item 601 of Regulation S-K

The Collateral Assignments dated October 31, 2011 are substantially identical to the Collateral Assignment of the Site Lease filed as exhibit 10.06 to this Current Report on Form 8-K in all material respects, except as to the document being assigned as collateral. The documents assigned as collateral include:

Document:

Renewable Energy Power Purchase Agreement

Landfill Gas Purchase Agreement

Easement Agreement

Design Build Agreement

Maintenance Agreement

Small Generator Interconnection Agreement

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RBC Bank

**Hazardous Substances Indemnity  
Agreement**

**THIS HAZARDOUS SUBSTANCES INDEMNITY AGREEMENT** (“Agreement”), entered into as of October 31, 2011, by GES – PORT CHARLOTTE LLC (“Borrower”), with a mailing address 16810 Kenton Drive, Suite 240, Huntersville, North Carolina 28078 and LIME ENERGY CO. and LIME ENERGY ASSET DEVELOPMENT, LLC (whether one or more, “Principal”) with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, NC 28078, jointly and severally (Borrower and Principal, individually and collectively, sometimes referred to herein as “Indemnitors” and sometimes as “Indemnitor”), to and in favor of RBC BANK (USA), with a mailing address of Post Office Box 1220, Rocky Mount, North Carolina 27802-1220 (“Bank”).

Borrower has obtained a loan or loans from Bank in the aggregate principal amount of Three Million Six Hundred Thousand Dollars (\$3,600,000) (whether one or more, “Loan”), which Loan is evidenced by one or more promissory notes, instruments or other evidences of indebtedness (individually and collectively, the “Obligations”).

The Obligations are secured by one or more deeds of trust, security deeds, deeds to secure debts, trust deeds, mortgages or other security instruments (collectively, the “Mortgage”) from Borrower or a party in support of Borrower, as grantor, for the benefit of Bank, encumbering the real and personal property as therein described (“Mortgaged Property”) and by other documents, instruments and agreements from Borrower to Bank (the Obligations, the Mortgage and such other documents, instruments and agreements, as the same may from time to time be amended, modified, consolidated, renewed, extended, substituted and replaced, being collectively referred to herein as the “Loan Documents”).

As a condition to advancing the funds under the Obligations, Bank has required that Indemnitors indemnify Bank with respect to hazardous wastes on, in, under or affecting the Mortgaged Property as herein set forth.

**NOW, THEREFORE**, to induce Bank to advance the sums to Borrower and otherwise perform as required by the Obligations and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitors hereby covenant and agree with and for the benefit of Bank as set forth in the paragraphs set forth below.

**Indemnity**

Indemnitors hereby assume liability for, and hereby agree to pay, protect, defend (at trial and appellate levels) with attorneys, consultants and experts acceptable to Bank, and save harmless Bank from and against, and hereby indemnify Bank from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements and expenses of any kind and of any nature whatsoever (including reasonable attorneys’ , consultants’ and experts’ fees and disbursements actually incurred in investigating, defending, settling and prosecuting any claim, litigation and proceeding) (individually and collectively “Expenses”) which may at any time be imposed upon, incurred by and awarded against either or both the Bank or the Mortgaged Property, and arising directly or indirectly from or out of any one or more of the following: (1) the violation of any local, state or federal law, regulation, ordinance, rule, order, directive, guideline or advisory opinion pertaining to environmental regulation, contamination or clean-up (collectively, “Environmental Laws”), including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 *et seq.* and 40 CFR §302.1 *et seq.*), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. §251 *et seq.* and 40 CFR §116.1 *et seq.*), and the Hazardous Materials Transportation Act (49 U.S.C. §1801 *et seq.*), and the regulations promulgated pursuant to said laws, all as amended, relating to or affecting the Mortgaged Property, whether or not caused by or within the control of Indemnitors; (2) the presence, release or threat of release of any hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including asbestos, polychlorinated biphenyls, petroleum products, lead based paints, flammable products, explosives, radioactive materials or substances, biological materials or substances, chemical materials or substances, mold, spores or other fungi, radon, infectious substances or raw materials which include hazardous or harmful constituents) or any other substances or materials which are included under or regulated by Environmental Laws (collectively, “Hazardous Substances”), on, in, under or affecting all or any portion of the Mortgaged Property or any

surrounding areas, regardless of whether or not caused by or within the control of Indemnitors; (3) the failure by Indemnitors to comply fully with the terms and conditions of this Agreement; (4) the breach of any representation

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or warranty contained in this Agreement; or (5) the enforcement of this Agreement, including the cost of assessment, containment and removal of any and all Hazardous Substances from all any portion of the Mortgaged Property and any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Substances on, in, under or affecting any portion of the Mortgaged Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with the Environmental Laws in connection with all or any portion of the Mortgaged Property or any surrounding areas. NOTWITHSTANDING ANYTHING SET FORTH HEREIN TO THE CONTRARY, THE AGGREGATE JOINT AND SEVERAL LIABILITY OF THE PRINCIPAL UNDER THIS AGREEMENT, AND WITH RESPECT TO THE GUARANTY OF PRINCIPAL DESCRIBED IN THE CONTINUING GUARANTY AGREEMENT OF EVEN DATE HERewith BY PRINCIPAL IN FAVOR OF BANK, SHALL NOT EXCEED THE LIMITED \$ GUARANTY AMOUNT SET FORTH IN SUCH CONTINUING GUARANTY AGREEMENT, AS AMENDED FROM TIME TO TIME.

### **Representations and Warranties**

Indemnitors hereby represent and warrant to and covenant and agree with Bank as follows: (1) to the best of Indemnitors' knowledge, information and belief, the Mortgaged Property is not in direct or indirect violation of any Environmental Law; (2) no Hazardous Substances (other than effluent from the biogas clean system, which is acidic prior to neutralization by Borrower and may be deemed hazardous in its acidic state) are located on or have been handled, generated, stored, processed or disposed of on or released or discharged from the Mortgaged Property (including underground contamination) except for those substances used by Borrower in the ordinary course of its business and used and stored in compliance with all Environmental Laws; (3) the Mortgaged Property is not subject to any private or governmental lien or judicial or administrative notice or action relating to Hazardous Substances; (4) there are no existing or closed underground storage tanks or other underground storage receptacles for Hazardous Substances on the Mortgaged Property; (5) Indemnitors have received no notice of, and to the best of Indemnitors' knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Mortgaged Property nor do Indemnitors know of any basis for such a claim; and (6) Indemnitors have received no notice that, and to the best of Indemnitors' knowledge and belief, there has been no claim by any party that any use, operation or condition of the Mortgaged Property has caused any nuisance or any other liability or adverse condition on any other property nor do Indemnitors know of any basis for such a claim.

### **Covenants of Indemnitors**

**Care of Mortgaged Property.** Indemnitors will keep or cause the Mortgaged Property to be kept free from Hazardous Substances (except those substances used by Borrower in the ordinary course of its business and in compliance with all Environmental Laws and used and stored in compliance with all Environmental Laws), will not install or use any underground storage tanks, will expressly prohibit the use, generation, handling, storage, production, processing or disposal of Hazardous Substances by any tenants of space in the improvements located on the Mortgaged Property ("Improvements"), and, without limiting the generality of the foregoing, during the term of this Agreement, will not install in the Improvements or permit to be installed in the Improvements asbestos or any substance containing asbestos.

**Notification of Adverse Event.** Indemnitors will immediately notify Bank should Indemnitors, or any of them, become aware of: (1) any Hazardous Substances, or other potential environmental problem or liability, with respect to the Mortgaged Property; (2) any lien, action or notice affecting the Mortgaged Property or Borrower resulting from any violation or alleged violation of Environmental Laws; (3) the institution of any investigation, inquiry or proceeding concerning Borrower or the Mortgaged Property pursuant to any Environmental Law or otherwise relating to Hazardous Substances; or (4) the discovery of any occurrence, condition or state of facts which would render any representation or warranty contained in this Agreement incorrect in any respect if made at the time of such discovery.

**Clean-up of Contamination.** Indemnitors will, promptly and when and as required and regardless of the source of the contamination, at their own expense, take all actions as may be necessary or advisable for the clean-up of any and all portions of the Mortgaged Property or other affected property, including all investigative, monitoring, removal, containment or remedial actions in accordance with all applicable Environmental Laws (and in all events in a

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manner satisfactory to Bank), and will further pay or cause to be paid, at no expense to Bank, all clean-up, administrative or enforcement costs of applicable governmental agencies which may be asserted against the Mortgaged Property. In the event Indemnitors fail to do so, Bank may cause the Mortgaged Property or other affected property to be freed from any Hazardous Substances or otherwise brought into conformance with Environmental Laws and any cost incurred in connection therewith will be included in Expenses and will be paid by Indemnitors in accordance with the terms of this Agreement. In furtherance of the foregoing, Indemnitors hereby grant to Bank access to the Mortgaged Property and an irrevocable license to remove any items deemed by Bank to be Hazardous Substances and to do all things Bank may deem necessary to bring the Mortgaged Property into conformance with Environmental Laws.

**Inspection and Audit of Mortgaged Property.** Upon the request of Bank, after the occurrence and during the continuance of a default under this Agreement or any of the Loan Documents or at such other time as Bank has reasonable grounds to believe that Hazardous Substances are or have been released, stored or disposed of on or around the Mortgaged Property or that the Mortgaged Property may be in violation of the Environmental Laws, Indemnitors will provide, at Indemnitors' sole expense, an inspection or audit of the Mortgaged Property prepared by a hydrogeologist or environmental engineer or other appropriate consultant approved by Bank indicating the presence or absence of Hazardous Substances on the Mortgaged Property or an inspection or audit of the improvements that are a part of the Mortgaged Property prepared by an engineering or consulting firm approved by Bank indicating the presence or absence of friable asbestos or substances containing asbestos on the Mortgaged Property. If Indemnitors fail to provide such inspection or audit within thirty (30) days after such request, Bank may order the same, and Indemnitors hereby grant to Bank access to the Mortgaged Property and an irrevocable license to undertake such inspection or audit. The costs and expenses of such inspection or audit will be included in Expenses and will be paid by Indemnitors in accordance with the terms of this Agreement.

### **Indemnification Procedures**

**Assumption of Defense.** If any action is brought against Bank based upon any of the matters for which Bank is indemnified hereunder, Bank will notify Indemnitors in writing thereof and Indemnitors will promptly assume the defense thereof, including the employment of attorneys acceptable to Bank and the negotiation of any settlement; provided, however, that any failure of Bank to notify Indemnitors of such matter will not impair or reduce the obligations of Indemnitors hereunder. Bank will have the right, at the expense of Indemnitors (which expense will be included in Expenses), to employ separate attorneys in any such action and to participate in the defense thereof. In the event Indemnitors fail to discharge or undertake to defend Bank against any claim, loss or liability for which Bank is indemnified hereunder, Bank may, at its sole option and election, defend or settle such claim, loss or liability. The liability of Indemnitors to Bank hereunder will be conclusively established by such settlement, provided such settlement is made in good faith, the amount of such liability to include both the settlement consideration and the costs and expenses incurred by Bank in effecting such settlement. In such event, such settlement consideration, costs and expenses will be included in Expenses and Indemnitors will pay the same as herein provided. Bank's good faith in any such settlement will be conclusively established if the settlement is made on the advice of independent legal attorneys for Bank.

**Settlement of Claims.** Indemnitors will not, without the prior written consent of Bank: (1) settle or compromise any action, suit, proceeding or claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to Bank of a full and complete written release of Bank (in form, scope and substance satisfactory to Bank in its sole discretion) from all liability in respect of such action, suit, proceeding or claim and a dismissal with prejudice of such action, suit, proceeding or claim; or (2) settle or compromise any action, suit, proceeding or claim in any manner that may adversely affect Bank or obligate Bank to pay any sum or perform any obligation as determined by Bank in its sole discretion.

**Payment of Expenses.** All Expenses will be immediately payable or reimbursable to Bank when and as incurred and, in the event of any litigation, claim or other proceeding, without any requirement of waiting for the ultimate outcome of such litigation, claim or other proceeding, and Indemnitors will pay to Bank any and all Expenses within fifteen (15) days after written notice from Bank itemizing the

amounts thereof incurred to the date of such notice. In addition to any other remedy available for the failure of Indemnitors to periodically pay such Expenses, such Expenses, if not paid within said fifteen (15) day period, will bear interest at the highest contract rate of interest prescribed in the Obligations.

**Reinstatement of Expenses.** If at any time all or any part of any payment made by Indemnitors, or received by Bank from Indemnitors under or with respect to this Agreement, is or must be rescinded or returned for any reason

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whatsoever (including, but not limited to, the insolvency, bankruptcy or reorganization of either Indemnitor), then the obligations of Indemnitors hereunder will, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous payment made by Indemnitors, or receipt of payment by Bank, and the obligations of Indemnitors hereunder will continue to be effective or be reinstated, as the case may be, as to such payment, all as though such previous payment by Indemnitors had never been made.

### **General Provisions**

Indemnitors' are jointly and severally liable to Bank under this Agreement. Indemnitors' representations and warranties will be deemed continuing individual and collective representations and warranties.

Indemnitors represent and warrant to Bank that this Agreement does not conflict with or otherwise violate, either in whole or in part, any agreement to which Indemnitors are a party or any agreement by which Indemnitors are bound or to which Indemnitors are subject.

Indemnitors acknowledge that: (1) Indemnitors benefit from the Obligations; (2) Indemnitors are familiar with Borrower and its business; and (3) Bank has not made any representations to Indemnitors relative to any of the Obligations or any person, or any person's business, that is now or that may in the future be obligated on any of the Obligations, including Borrower or any other guarantor, accommodation party or supporting obligor. Indemnitors agree Bank has no responsibility for keeping Indemnitors informed regarding Borrower's financial condition or that of any other person.

Indemnitors agree this Agreement does not terminate, supersede or substitute for any existing indemnifications, guaranties or other supporting obligations from Indemnitors or any other persons to Bank.

Indemnitors agree to furnish Bank all financial information or other information Indemnitors may be required to provide Bank under any of the Loan Documents and to furnish Bank any other information as Bank may from time to time request. Indemnitors agree to abide by, remain in compliance with and otherwise fully and timely perform all of the terms, provisions, covenants and agreements in any of the Loan Documents that may now or in the future be applicable to or otherwise binding upon Indemnitors or any of their respective properties, including any financial covenants, reporting requirements and covenants limiting disposition of assets or a change in control.

Indemnitors agree their obligations under this Agreement are not dependent upon any other person indemnifying or continuing to indemnify Bank relative to any of the matters to which this Agreement applies or relates.

Indemnitors agree that their liability under this Agreement will not be limited, diminished or extinguished, in whole or in part, by, and that their consent will not be required relative to, any changes to, or any acts or inactions on Bank's part or any other person's part with respect to, any one or more of the following: (1) Borrower; (2) any of the Obligations; (3) any of the Loan Documents; (4) any indemnitor, guarantor or other supporting obligor of any or all of the Obligations or any of the matters to which this Agreement applies or relates; (5) any property, or any liens or security interest therein or thereon, now or in the future securing this Agreement, any or all of the Obligations or any other indemnifications, guaranties or supporting obligations; or (6) any property, or any liens or security interest therein or thereon, now or in the future securing this Agreement, any or all of the Obligations or any other indemnifications, guaranties or supporting obligations. Indemnitors agree that their liability under this Agreement will not be limited, diminished or extinguished, in whole or in part, by the unenforceability or invalidity of any of the Obligations as to Borrower or any other person, or the unenforceability or invalidity of any other indemnifications, guaranties or other supporting obligations for any of the matters to which this Agreement applies or relates.

Indemnitors waive presentment, demand, protest, notice of dishonor and any other notices to which Indemnitors may otherwise be entitled. Indemnitors agrees that until the Obligations are paid and satisfied in full and Indemnitors' liability under this Agreement is fully satisfied and discharged in accordance with the terms of this Agreement, Indemnitors will not have, and Indemnitors waive, any claim of subrogation, reimbursement, exoneration, contribution and indemnity with respect to this Agreement, the Obligations, Borrower and any other person obligated on the Obligations. Indemnitors waives any defenses or benefits of a surety, accommodation party or other supporting obligor to which Indemnitors may be entitled by statute or otherwise at law or in equity, including (1) any defenses or benefits relating to or arising from release, estoppel, election of remedies, rights to appraisal or marshalling of assets, (2) any defenses or benefits relating to or arising under judicial or non-judicial collection or foreclosure laws or procedures, or under any anti-deficiency laws, and (3) the right to appear, be scheduled or otherwise treated as a "creditor" in any federal or state bankruptcy or insolvency proceeding and any defenses or benefits relating to or arising under any federal or state bankruptcy, insolvency or debtor relief laws.

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Indemnitors agree that until the Obligations are paid in full, unless Bank agrees otherwise in writing: (1) Indemnitors will not receive payment on any indebtedness owed by Borrower to Indemnitors, or withdraw capital invested by it in Borrower, or otherwise receive any distributions from Borrower except as permitted by the Loan Agreement; (2) to the extent Indemnitors receives any payments, withdrawals or other distributions from Borrower in violation of the Loan Agreement, the same will be deemed received by Indemnitors in trust for the benefit of Bank and, upon demand for payment thereof by Bank, will be paid to Bank for application by Bank against the Obligations; (3) all Indemnitors' present and future claims against Borrower or Borrower's property, including claims for money owed under promissory notes and other evidences of indebtedness, and any liens or security interests securing such claims, will be subordinate in all respects to Bank's present and future claims against Borrower and Borrower's property, and all liens and security interests securing such claims, except as otherwise permitted by the Loan Agreement; and (4) Indemnitors will not foreclose on or otherwise enforce through either judicial or non-judicial proceedings any liens or security interests securing any of Indemnitors' present or future claims against Borrower or Borrower's property.

If Bank is required to return or repay any payments made under this Agreement by Indemnitors or any other person, Indemnitors agrees the obligations intended to be satisfied by such returned or repaid payments will be revived and continued in full force and effect as if said returned or repaid payments had not been made, and that this Agreement will continue to be effective or reinstated, as the case may be, as to such returned or repaid payments.

Time is of the essence for the performance of all of Indemnitors' covenants and agreements set forth in this Agreement, including its payment obligations under this Agreement. If Indemnitors fails to pay any amount owing under this Agreement as and when due or otherwise breaches any of its representations, warranties, covenants or other agreements hereunder, Bank may, without prior notice to Indemnitors or any other person, exercise or otherwise pursue any and all rights and remedies available to Bank under this Agreement, any of the Loan Documents, at law or in equity, including acceleration of payment or performance obligations.

Indemnitors agree to pay to Bank, on Bank's demand, all costs and expenses incurred by Bank in connection with enforcement of Bank's rights and remedies under this Agreement.

Except as provided herein to the contrary, all notices hereunder will be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses set forth above, provided either Indemnitors or Bank may, by written notice to the other, designate a different address where communications should be sent.

This Agreement will be governed by the substantive laws of the State of Georgia, excluding, however, the conflict of law and choice of law provisions thereof. If any provision of this Agreement will be prohibited or invalid under such law, such provision will be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

To the extent permitted by law, Indemnitors waives any right to a trial by jury in any action arising from or related to this Agreement or any of the Obligations.



This Agreement will apply to and bind Indemnitors' heirs, successors and assigns. At any time or times and without notice to Indemnitors or any other person, but in accordance with the terms of the Loan Agreement, but in accordance with the terms of the Loan Agreement, , Bank may sell one or more participations in any of the Obligations and may assign this Agreement and any of the Loan Documents in whole or in part; and, this Agreement will apply to, be binding upon and inure to the benefit of each one of and all of Bank' s participants, successors and assigns, including any agent that may administer or service any of the Obligations for any holder of this Agreement or any of the Loan Documents, or any participants.

Bank may make such credit investigations and other investigations regarding Indemnitors as Bank deems necessary or appropriate, including any investigations as may be necessary or advisable under applicable law. Unless otherwise prohibited by applicable law, Bank may disclose financial and other information concerning Indemnitors to any person, including any of the following: governmental agencies; credit bureaus and other similar persons; Indemnitors' other creditors or prospective creditors; Bank' s authorized representatives and any administrative or servicing agents, and to Bank' s respective affiliates and their respective authorized representatives and any administrative or servicing agents; any participant or prospective participants, and to any assignee or prospective assignee, of the Obligations or any part or parts thereof, and the authorized representatives and any administrative or servicing agents for such persons.

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In this Agreement: (1) "Expenses" will include any diminution in the value of the security afforded by the Mortgaged Property or any future reduction of the sales price of the Mortgaged Property by reason of any matter set forth in the Section of this Agreement entitled "Indemnity"; (2) the singular includes the plural and vice versa; (3) words in the neuter gender include any gender; (4) "including" means "including but not limited to"; (5) "and" may have a joint meaning or a several meaning and "or" may have an inclusive meaning or an exclusive meaning; (6) the word "all" includes "any" and the word "any" includes "all"; (7) words importing "persons" will include individuals as well as corporations and other organizations; (8) the phrase "costs and expenses" includes the reasonable fees of attorneys and other service providers, including those incurred in connection with and during the pendency of any reorganization, receivership, insolvency or bankruptcy, and will include intangible personal property taxes, documentary stamp taxes, excise taxes and other similar taxes; and, (9) terms that are not defined in this Agreement but are defined in any of the other Loan Documents will have the meaning given to such terms in the Loan Documents in which such terms are defined, and the rules on usage of terms contained in the other Loan Documents will apply to this Agreement.

This Agreement constitutes the entire agreement between the Bank and Indemnitors with respect to this indemnification. Any modification of this Agreement and any waiver of Bank' s rights or remedies under this Agreement must be through a writing executed by an authorized representative of Bank in order for the modification or waiver to be enforceable against Bank. When requested by Bank for any reason, including to comply with any requirements of law, Indemnitors will re-confirm, in writing, to Bank, its continuing liability and obligation under this Agreement, such written re-confirmation to be in such form as Bank may require, including a statement of re-confirmation or a substitute or replacement guaranty.

The indemnity in this Agreement will specifically not include any costs relating to Hazardous Substances which are initially placed on, in or under the Mortgaged Property after final completion of foreclosure or other taking of title to the Mortgaged Property by Bank, unless placed thereon or therein by or on behalf of Indemnitors.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which will be taken to be one and the same instrument.

### **Anti-Money Laundering**

Indemnitors represents and warrants to Bank as follows: (1) Indemnitors is not a person whose property or interest in property is blocked or subject to blocking pursuant to any laws of the U.S.; (2) Indemnitors is not a person on the list of Specially Designated Nationals and Blocked Persons and Indemnitors is not subject to any limitations or prohibitions under any regulations or orders of the U.S. Department of Treasury' s Office of Foreign Assets Control; and (3) Indemnitors is in compliance with and does not engage in any dealings or transactions prohibited by any laws of the U.S., including the USA Patriot Act, the Trading with the Enemy Act or the U.S. Foreign Corrupt Practices Act of 1977, all as amended.

EXECUTED under SEAL by the undersigned as of the day and year first above stated.

GES – PORT CHARLOTTE, LLC  
By: Lime Energy Asset Development, LLC, its sole member and  
manager

By: /s/ Jeffrey Mistarz (SEAL)  
Name: Jeffrey Mistarz  
Title: Treasurer

WITNESS/ATTEST:

LIME ENERGY ASSET DEVELOPMENT, LLC

/s/ David Asplund

By: /s/ Jeffrey Mistarz (SEAL)  
Jeffrey R. Mistarz  
Treasurer

WITNESS/ATTEST:

LIME ENERGY CO.

/s/ David Asplund

By: /s/ Jeffrey Mistarz (SEAL)  
Jeffrey R. Mistarz  
Chief Financial Officer

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PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT

THIS PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") is made this 31<sup>st</sup> day of October, 2011 by LIME ENERGY ASSET DEVELOPMENT, LLC, a limited liability company organized under the laws of the State of Delaware (the "Pledgor") in favor of RBC BANK (USA), a North Carolina banking corporation (the "Bank").

RECITALS

A. The Bank has extended to GES – PORT CHARLOTTE, LLC, a limited liability company organized under the laws of the State of Georgia (the "Borrower") a term loan in the principal amount of \$3,600,000 (the "Credit Facility"). The Credit Facility is advanced as provided in and subject to the terms and conditions of the Loan Agreement (as amended, restated or substituted from time to time, the "Loan Agreement") of even date herewith by and between Borrower and Bank.

B. As of the date hereof, the Bank has agreed to make advances to the Borrower pursuant to the Loan Agreement which advances are evidenced by the Promissory Note of even date herewith from the Borrower to the Bank (as further amended, restated or substituted from time to time, the "Note") and secured as provided in the Loan Agreement.

C. The Pledgor has unconditionally guaranteed repayment of the Credit Facility pursuant to that certain Continuing Guaranty Agreement of even date herewith from the Pledgor in favor of the Bank (as further amended, restated or substituted from time to time, the "Guaranty").

D. As a condition precedent to making advances under the Credit Facility, the Bank required that Pledgor, secure the payment and performance of all of the Liabilities (as defined in the Guaranty) by the execution of this Agreement.

E. All defined terms used in this Agreement and not defined in this Agreement shall have the meaning given to such terms in the Loan Agreement. As used in this Agreement, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Pledgor and the Bank hereby agree as follows:

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ARTICLE I  
SECURITY

Section 1.1 Collateral.

As security for the prompt and full payment and performance of all of the Liabilities, and as security for the prompt and full performance of all of the Liabilities of the Pledgor under this Agreement and all of the Liabilities of the Pledgor, the Borrower and/or any other Person under the Loan Agreement and all of the other Loan Documents, whether now in existence or hereafter created and whether joint, several, or both, primary, secondary, direct, contingent or otherwise, the Pledgor hereby pledges, assigns and grants to the Bank a first priority security interest in, assignment of, and lien on, the following property of the Pledgor (collectively, the "Collateral"), whether now existing or hereafter created or arising:

(a) all rights, title and interest in and to and as the member of the Borrower under the Borrower's operating agreement as the same may have been or may be amended, supplemented, restated, or otherwise modified at any time and from time to time (the "Operating Agreement");

(b) all rights to receive any and all cash and non-cash distributions (regardless of how such distributions are classified and including any and all distributions-in-kind and liquidating distributions), profits, losses, income, revenue, returns of capital, repayments of any loans made by Pledgor to the Borrower (including interest and fees with respect to such loans), and any and all development, management and similar fees payable by the Borrower to Pledgor of any kind or nature whatsoever, together with any and all other rights and property interests including, but not limited to, accounts, contract rights, instruments and general intangibles arising out of, under or relating to the Borrower and/or the Operating Agreement;

(c) all other or additional equity or debt interests, other securities or property (including cash) paid or distributed in respect of the Borrower by way of any spin-off, merger, consolidation, dissolution, combination, reclassification or exchange of equity interests, asset sales, or similar rearrangement or reorganization; and

(d) all proceeds and products (both cash and non-cash) of the foregoing, whether now or hereafter arising under any of the foregoing.

#### Section 1.2 Rights of the Bank in the Collateral.

The Pledgor agrees that with respect to the Collateral the Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code, as well as those provided by law and/or in this Agreement. Notwithstanding the fact that the proceeds of the Collateral constitute part of the Collateral, the Pledgor may not dispose of the Collateral, or any part thereof, without the prior written consent of the Bank.

#### Section 1.3 Registration of Pledge.

If and to the extent requested by the Bank, the Pledgor agrees, by Notice of Pledge in substantially the form attached to this Agreement as Exhibit B, to notify the Borrower

immediately of the pledge, assignment and security agreement under this Agreement and issue the Initial Transaction Statement in substantially the form attached to this Agreement as Exhibit C. The Pledgor hereby authorizes and directs the Borrower to register the Pledgor's pledge to the Bank of the Collateral on the Borrower's books and, following written notice to do so by the Bank, to make direct payment to the Bank of any amounts due or to become due to the Pledgor with respect to the Collateral.

#### Section 1.4 Rights of the Pledgor in the Collateral.

Until the occurrence and continuance of an Event of Default (as hereinafter defined), the Pledgor shall be entitled (a) to vote all ownership or equity interests, (b) to give consents, waivers and ratification to any and all actions of the Borrower requiring member approval, and (c) to receive all cash and non-cash distributions which may be paid on account of the Collateral and which are not otherwise prohibited by the Loan Agreement, this Agreement or any of the other Loan Documents. Any cash distribution payable in respect of the Collateral which represents, in whole or in part, a return of capital or is paid in violation of this Agreement, the Loan Agreement or any of the other Loan Documents shall be received by the Pledgor in trust for the Bank, shall be paid immediately to the Bank and shall be retained by the Bank as part of the Collateral.

The Pledgor covenants and agrees that no distribution or other benefit with respect to the Collateral shall be received by or for the benefit of the Pledgor, and no vote shall be cast or member's consent, waiver or ratification given or action taken by the Pledgor in its capacity as a member of the Borrower, which would violate or be inconsistent with any of the terms and provisions of this Agreement or the

Loan Agreement or which would materially impair the position or interest of the Bank in the Collateral or dilute the percentage of the equity interests in the Borrower pledged to the Bank.

Section 1.5      Pledge Unconditional.

The Liabilities and liabilities of the Pledgor under, and in connection with, this Agreement shall be absolute and unconditional. The Pledgor expressly agrees that the Bank may, in its sole and absolute discretion, without notice to, or further assent of, the Pledgor and without in any way releasing, affecting or in any way impairing the Liabilities of the Pledgor hereunder:

- (a) agree to the substitution, exchange, release or other disposition of any collateral or security for any or all of the Liabilities, or to the subordination of any lien or security interest therein;
- (b) assign, pledge, participate, mortgage, hypothecate or otherwise transfer this Agreement, the Note, the Loan Agreement or all or any of the Liabilities, or any interest therein or rights thereunder; and
- (c) effect any release, compromise or settlement with the Borrower, any guarantor of, or other obligor with respect to, all or any part of the Liabilities.

Section 1.6      Liabilities Hereunder Primary.

The Liabilities and liabilities of the Pledgor under this Agreement shall be primary, direct and immediate, shall not be subject to any counterclaim, recoupment, set off, reduction or defense based upon any claim that the Pledgor may have against the Bank or any other obligor and shall not be conditional or contingent upon pursuit or enforcement by the Bank of any remedies it may have against any other person with respect to the Liabilities.

Section 1.7      Certain Waivers by the Pledgor.

The Pledgor hereby unconditionally, irrevocably and expressly waives:

- (a) presentment and demand for payment of the Liabilities and protest of non-payment;
- (b) notice of acceptance of this Agreement and of presentment, demand and protest thereof;
- (c) notice of any default hereunder and notice of all indulgences;
- (d) demand for observance, performance or enforcement of any of the terms or provisions of this Agreement; and
- (e) all other notices and demands otherwise required by law which the Pledgor may lawfully waive.

Section 1.8      Waiver of Restrictions on Transfer of Collateral.

The Pledgor hereby unconditionally, irrevocably and expressly waives any restrictions to the transfer or assignment of the Collateral as provided for in the Operating Agreement as well as any other provisions therein which may limit or restrict the assignment as set forth in this Agreement.

ARTICLE II  
REPRESENTATIONS AND WARRANTIES

To induce the Bank to make the Credit Facility to the Borrower under the Loan Agreement, the Pledgor represents and warrants to the Bank, as follows:

Section 2.1      Percentage Ownership.

The ownership interests assigned as part of the Collateral represent one hundred percent (100%) of the ownership interests of the Borrower.

Section 2.2      No Amendments.

The Operating Agreement has not been amended, modified, restated, substituted, extended or renewed, except as provided for in Section 1.1.

Section 2.3      Operating Agreement.

The Pledgor has furnished the Bank with a true and complete copy of the executed Operating Agreement.

Section 2.4      Power and Authority.

Pledgor has full power and authority to execute and deliver this Agreement, to assign and pledge the Collateral and perform all other Liabilities required under this Agreement with respect to the Collateral, and to incur and perform its Liabilities whether under this Agreement, the other Loan Documents or otherwise, all of which have been duly authorized by all proper and necessary action. No consent or approval of any owners or creditors of Pledgor and no consent, approval, filing or registration with or notice to any Governmental Authority (as that term is defined in the Loan Agreement) on the part of the Pledgor, is required as a condition to the execution, delivery, validity or enforceability of this Agreement or the other Loan Documents or the performance of the Liabilities, including, without limitation, the right of the Bank to dispose of the Collateral following an Event of Default, except for the consent of American Chartered Bank, which consent has been obtained and is effective as of the date hereof (the "Consent"). The Pledgor has full right, power and authority and has all voting rights in any matters as may be represented by the Collateral.

Section 2.5      Binding Agreements.

This Agreement has been properly executed and delivered and constitutes the valid and legally binding obligations of the Pledgor and is fully enforceable against the Pledgor in accordance with its terms.

Section 2.6      Title to Properties.

The Pledgor has good and marketable title to the Collateral. By virtue of the Consent, the Pledgor has legal, enforceable and uncontested rights to use freely such property and assets. The Pledgor is the sole owner of all of the Collateral, free and clear of all security interests, pledges, voting trusts, agreements, liens, claims and encumbrances whatsoever, other than the security interest, assignment and lien granted under this Agreement. The ownership interests assigned as Collateral are subject to no outstanding options or other requirements with respect to such interests.

Section 2.7      Perfection and Priority of Collateral.

The Bank has, or upon execution and delivery of this Agreement and recording of the financing statements executed by the Pledgor as part of the Security Documents, will have, and will continue to have as security for the Liabilities, a valid and perfected, first priority, lien on and security interest in all of the Collateral, free of all other liens, claims and rights of third parties whatsoever.

Section 2.8      Business Information.

The information contained in Exhibit A, which is attached to and a part of this Agreement, is complete and correct in all material respects.

Section 2.9      Taxes.

Pledgor has filed or caused to be filed all federal, state and local tax returns, and has paid or caused to be paid all taxes required in connection therewith, to the extent such taxes have become due and payable.

ARTICLE III  
COVENANTS

Until payment in full and the performance of all of the Liabilities, the Pledgor covenants and agrees with the Bank as follows:

Section 3.1      Organizational Existence.

Pledgor shall maintain its organizational existence in good standing in the jurisdiction in which it is organized and in each other jurisdiction where it is required to register or qualify to do business if the failure to do so in such other jurisdiction might have a material adverse effect on the ability of the Pledgor to perform its Liabilities under this Agreement, on the conduct of the Pledgor's operations, on the Pledgor's financial condition, or on the value of, or the ability of the Bank to realize upon, the Collateral.

Section 3.2      Delivery of Collateral.

The Pledgor shall deliver immediately to the Bank any certificates representing ownership interests in the Borrower, and all instruments, items of payment and other Collateral received by the Pledgor. All Collateral at any time received or held by the Pledgor shall be received and held by the Pledgor in trust for the benefit of the Bank, and shall be kept separate and apart from, and not commingled with, the Pledgor's other assets.

Section 3.3      Defense of Title and Further Assurances.

The Pledgor will do or cause to be done all things necessary to preserve and to keep in full force and effect its interests in the Collateral, and shall defend, at its sole expense, the title to the Collateral and any part thereof. Further, the Pledgor shall promptly, upon request by the Bank, execute, acknowledge and deliver any financing statement, endorsement, renewal, affidavit, deed, assignment, continuation statement, security agreement, certificate or other document as the Bank may require in order to perfect, preserve, maintain, protect, continue, realize upon, and/or extend the lien and security interest of the Bank under this Agreement and the priority thereof. Pledgor shall pay to the Bank upon demand all taxes, out of pocket costs and expenses (including but not limited to reasonable attorney's fees) incurred by the Bank in connection with the preparation, execution, recording and filing of any such document or instrument mentioned aforesaid. Pledgor hereby irrevocably appoints the Bank as its attorney-in-fact, with power of substitution from time to time, after the occurrence and during the

continuance of an Event of Default, to take such actions as are described in this Section as well as any other action which Pledgor is required to take under this Agreement or under any of the other Loan Documents.

Section 3.4      Protection of Collateral.

The Pledgor agrees that the Bank may at any time take such steps as the Bank deems reasonably necessary to protect the Bank's interest in, and to preserve the Collateral. The Pledgor agrees to cooperate fully with the Bank's efforts to preserve the Collateral and will take such actions to preserve the Collateral as the Bank may in good faith direct. All of the Bank's out of pocket expenses of preserving the Collateral, including, without limitation, reasonable attorney's fees, shall be part of the Liabilities.

Section 3.5      Locations.

The Pledgor shall give the Bank not less than thirty (30) days' prior written notice of any change to the information set forth on Exhibit A.

Section 3.6      Books and Records; Information.

(a)      The Pledgor shall maintain proper books and records in which full, true and correct entries are made of all dealings and transactions in relation to the Collateral and which reflect the lien of the Bank thereon.

(b)      The Pledgor agrees that the Bank may from time to time and at its option (i) require the Pledgor to, and the Pledgor shall, periodically deliver to the Bank records and schedules, which show the status of the Collateral and such other matters which affect the Collateral, as well as copies of Pledgor's tax returns and filings; (ii) verify the Collateral and inspect the books and records of the Pledgor and make copies thereof or extracts therefrom; (iii) notify any prospective buyers or transferees of the Collateral or any other Persons (as that term is defined in the Loan Agreement) of the Bank's interest in the Collateral; and (iv) disclose to prospective buyers or transferees from the Bank any and all information regarding the Borrower, the Collateral and/or the Pledgor.

Section 3.7      Disposition of Collateral.

The Pledgor will not sell, discount, allow credits or allowances, assign, extend the time for payment on, convey, lease, assign, transfer or otherwise dispose of the Collateral or any part thereof.

Section 3.8      Distributions.

Subject to the Loan Agreement, the Pledgor shall receive no dividend or distribution or other benefit with respect to the Borrower, and shall not vote, consent, waive or ratify any action taken, which would violate or be inconsistent with any of the terms and provisions of this Agreement, the Loan Agreement or any of the other Loan Documents. The Pledgor authorizes and directs the Borrower to make all distributions and other payments constituting a part of the Collateral directly to the Bank upon written request of the Bank, without any additional

authorization by the Pledgor, after the occurrence of an Event of Default (as hereinafter defined). In the event any distribution or other payment constituting a part of the Collateral is received by the Pledgor after the occurrence of an Event of Default, the Pledgor shall immediately remit such distribution or payment to the Bank, together with any necessary endorsement or assignment. All amounts received by the Bank in accordance with this Section 3.8 shall, at the Bank's option, be held as additional collateral for the Liabilities or applied to the repayment of the Liabilities, in such order and manner as the Bank may determine and without regard to the existence of an Event of Default.

Section 3.9      Liens.

The Pledgor will not create, incur, assume or suffer to exist any lien upon any of the Collateral, other than liens in favor of the Bank.

Section 3.10     Taxes.



Pledgor shall pay all taxes and similar charges imposed upon or assessed against it or any of Pledgor's property prior to the date on which penalties are attached thereto.

ARTICLE IV  
DEFAULT AND RIGHTS AND REMEDIES

Section 4.1      Events of Default.

The occurrence of any one or more of the following events which continues beyond any applicable cure period shall constitute an "Event of Default" under the provisions of this Agreement:

4.1.1      Default under Loan Agreement.

An Event of Default shall occur under the Loan Agreement.

4.1.2      Default under this Agreement.

Pledgor shall fail to duly perform, comply with or observe any of the terms, conditions or covenants of this Agreement.

4.1.3      Breach of Representations and Warranties.

Any representation or warranty made in this Agreement or in any report, statement, schedule, certificate, opinion (including any opinion of counsel for Pledgor), financial statement or other document furnished by Pledgor or its agents or representatives in connection with this Agreement, any of the other Loan Documents, or the Liabilities secured by this Agreement, shall prove to have been false or misleading when made (or, if applicable, when reaffirmed) in any material respect.

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4.1.4      Failure to Comply with Covenants.

The failure of Pledgor to perform, observe or comply with any covenant, condition or agreement contained in this Agreement.

4.1.5      Receiver; Bankruptcy.

Pledgor shall (a) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its property, (b) admit in writing its inability to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent, (e) file a voluntary petition in bankruptcy or a petition or an answer seeking or consenting to reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or take any action for the purposes of effecting any of the foregoing, or (f) by any act indicate its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or trustee for any of its property, or suffer any such receivership, trusteeship or proceeding to continue undischarged for a period of sixty (60) days, or (g) by any act indicate its consent to, approval of or acquiescence in any order, judgment or decree by any court of competent jurisdiction or any Governmental Authority enjoining or otherwise prohibiting the operation of a material portion of the Pledgor's business or the use or disposition of a material portion of the Pledgor's assets.

4.1.6      Involuntary Bankruptcy, Etc.

(a) An order for relief shall be entered in any involuntary case brought against Pledgor under the United States Bankruptcy Code, or (b) any such case shall be commenced against Pledgor and shall not be dismissed within sixty (60) days after the filing of the

petition, or (c) an order, judgment or decree under any other Law is entered by any court of competent jurisdiction or by any other Governmental Authority on the application of a Governmental Authority or of a Person other than Pledgor (i) adjudicating Pledgor bankrupt or insolvent, or (ii) appointing a receiver, trustee or liquidator of Pledgor, or of a material portion of Pledgor's assets, or (iii) enjoining, prohibiting or otherwise limiting the operation of a material portion of Pledgor's business or the use or disposition of a material portion of Pledgor's assets, and such order, judgment or decree continues unstayed and in effect for a period of thirty (30) days from the date entered.

4.1.7 Liquidation, Termination, Dissolution of Pledgor.

If Pledgor shall liquidate, dissolve or terminate its existence.

4.1.8 Judgment.

Unless adequately covered by insurance in the opinion of the Bank, the entry of a final judgment for the payment of money involving more than \$100,000 against Pledgor and the failure by Pledgor to discharge the same, or cause it to be discharged, or bonded off to the Bank's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

4.1.9 Execution; Attachment.

Any execution, attachment or charging order is levied against the Collateral, and such execution, attachment or charging order is not set aside, discharged or stayed within thirty (30) days after the same is levied.

4.1.10 Liquidation, Termination, Dissolution of Borrower.

The Borrower is dissolved either pursuant to the provisions of its Operating Agreement, by operation of law, or in any other manner, voluntarily or otherwise; the Operating Agreement of the Borrower is terminated pursuant to any of its provisions or by operation of law, or amended or modified in any manner; member of the Borrower sells, assigns, mortgages, pledges, hypothecates, transfers, encumbers, permits to be encumbered or otherwise disposes of any or all of his, her or its interest in the Borrower or withdraws voluntarily or involuntarily (by operation of law or otherwise) from the Borrower; any new member is admitted to the Borrower.

Section 4.2 Remedies.

Upon the occurrence of any Default or Event of Default, the Bank may at any time thereafter exercise any one or more of the following rights, powers or remedies:

4.2.1 Accelerate Liabilities.

The Bank may declare all or any portion of the Liabilities to be immediately due and payable, without notice to Pledgor and without demand, protest or notice of protest or dishonor.

4.2.2 Legal Proceedings.

The Bank may proceed to protect or enforce the Bank's rights by an action or actions at law or in equity or by any other appropriate proceeding, whether for the specific performance of any of the covenants herein contained or of any other agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise or execution of any right, remedy or power granted herein or by law.

4.2.3 Uniform Commercial Code.

The Bank shall have all of the rights and remedies of a secured party under Title 9 of the Uniform Commercial Code and other applicable Laws and in connection therewith may exercise all or any of the rights, powers and remedies of a secured party under Title 9 of the Uniform Commercial Code. Any notification of a sale or other disposition of all or any part of the Collateral required pursuant to Section 9-504 of Title 9 of the Uniform Commercial Code shall be deemed commercially reasonable if sent in accordance with Section 5.1 (Notices) at least ten (10) days prior to the sale or other disposition. Upon demand by the Bank, the Pledgor shall assemble the Collateral and all books and records and make it available to the Bank, at a place designated by the Bank. The Bank or its agents may without notice from time to time enter upon the Pledgor's premises to take possession of the Collateral and all books and records, to remove it, or otherwise to prepare it for sale, or to sell or otherwise dispose of it.

#### 4.2.4 Sale or Other Disposition of Collateral.

The Bank may sell or redeem the Collateral, or any part thereof, in one or more sales, at public or private sale, conduct by any officer or agent of, or auctioneer or attorney for, the Bank, at the Bank's place of business or elsewhere, for cash, upon credit or future delivery, and at such price or prices as the Bank shall, in its sole discretion, determine, and the Bank may be the purchaser of any or all of the Collateral so sold.

Further:

(a) Each purchaser of all or any portion of the Collateral (including the Bank) at any such sale shall hold the Collateral so sold, absolutely free from any claim or right of whatsoever kind, including, without limitation, any equity or right of redemption, of the Pledgor, which the Pledgor hereby specifically waives, to the extent it may lawfully do so, all rights of redemption, stay or appraisal which the Pledgor has or may have under any rule of law or statute now existing or hereafter adopted.

(b) Any written notice required by law of any sale, public or private, of all or any part of the Collateral shall be deemed in all circumstances to have been given in a commercially reasonable manner if sent at least ten (10) days prior to such sale by mail to the Pledgor at the address for the Pledgor set forth in Section 5.1 (Notices). At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels. The Bank shall not be obligated to make any sale pursuant to any such notice. In case of any sale of all or any part of the Collateral for credit or for future delivery, the Collateral so sold may be retained by the Bank until the selling price is paid by the purchaser thereof, but the Bank shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold, and in case of any such failure, such Collateral may again be sold under and pursuant to the provisions hereof. The Bank, as attorney-in-fact, pursuant to Section 3.3 (Defense of Title), may, in the name and stead of the Pledgor, make and execute all conveyances, assignments and transfers of the Collateral sold pursuant to this Section. The Pledgor shall, if so requested by the Bank, ratify and confirm any sale or sales by executing and delivering to the Bank, or to such purchaser or purchasers, all such documents as may, in the judgment of the Bank, be advisable for the purpose.

(c) If any consent, approval, or authorization of any Governmental Authority or any Person having any interest therein, should be necessary to effectuate any sale or other disposition of the Collateral, the Pledgor agrees to execute all such applications and other instruments, and to take all other action, as may be required in connection with securing any such consent, approval or authorization.

(d) The Pledgor recognizes that the Bank may be unable to effect a public sale of all or a part of the Collateral consisting of "securities" by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and other applicable federal and state Laws. The Bank may, therefore, in its discretion, take such steps as it may deem appropriate to comply with such Laws and may, for example, at any sale of the Collateral consisting of securities restrict the prospective bidders or purchasers as to their number, nature of business and investment intention, including, without limitation, a requirement that the Persons making such

purchases represent and agree to the satisfaction of the Bank that they are purchasing such securities for their account, for investment, and not with a view to the distribution or resale of any thereof. The Pledgor covenants and agrees to do or cause to be done promptly all such acts and things as the Bank may request from time to time and as may be necessary to offer and/or sell the securities or any part thereof in a manner which is valid and binding and in conformance with all applicable Laws.

#### 4.2.5 Specific Rights With Regard to Collateral.

In addition to all other rights and remedies provided hereunder or as shall exist at law or in equity from time to time, the Bank may (but shall be under no obligation to), without notice to the Pledgor, and the Pledgor hereby irrevocably appoints the Bank as its attorney-in-fact, with power of substitution, in the name of the Bank or in the name of the Pledgor or otherwise, for the use and benefit of the Bank, but at the cost and expense of the Pledgor and without notice to the Pledgor:

- (a) direct any person or entity obligated to make payments or distributions directly to the Bank;
  - (b) compromise, extend or renew any of the Collateral or deal with the same as it may deem advisable;
  - (c) make exchanges, substitutions or surrenders of all or any part of the Collateral;
  - (d) copy, transcribe, or remove from any place of business of the Pledgor all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral or without cost or expense to the Bank, make such use of the Pledgor' s places of business as may be reasonably necessary to administer, control and collect the Collateral;
  - (e) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Collateral;
  - (f) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral;
  - (g) settle, renew, extend, compromise, compound, exchange or adjust claims in respect of any of the Collateral or any legal proceedings brought in respect thereof;
  - (h) endorse or sign the name of the Pledgor upon any items of payment, certificates of title, instruments, securities, powers, documents of title, or other writing relating to or part of the Collateral and on any proof of claim in bankruptcy against an account debtor;
  - (i) take any action and execute any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes of this Agreement;
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- (j) take control in any manner of any cash or non-cash items of payments comprising the Collateral;
  - (k) subject to obtaining all necessary consents, approvals, and authorizations, if any, required by applicable laws, cause the Collateral to be transferred to the Bank or to the name of one or more of the Bank' s nominees and thereafter exercise as to such Collateral all rights, powers and remedies of owners;
  - (l) collect by legal proceedings or otherwise all distributions, interest, principal payments, and other sums now or hereafter payable on account of the Collateral, and hold the same as Collateral, or apply the same to all costs and out of pocket expenses (including reasonable attorney' s fees) incurred by the Bank in such legal proceedings or to the Liabilities, the manner and distribution of the application to be determined by the Bank in its sole and absolute discretion;

(m) enter into any extension, subordination, reorganization, deposit, merger or consolidation agreement, or any other agreement relating to or affecting the Collateral and in connection therewith deposit or surrender control of such Collateral thereunder, and accept other property in exchange therefor and hold or apply such property or money so received in accordance with the provisions hereof;

(n) take any other action necessary or beneficial to realize upon or dispose of the Collateral;

(o) upon written instructions to the Borrower, the Bank or its designees shall be entitled to become a member in the Borrower in the place and stead of the Pledgor and shall be entitled to exercise and enjoy all rights and privileges pertaining thereto, including without limitation, the right to (i) participate in the management and administration of the Borrower's business and affairs, (ii) require information regarding or an accounting of Borrower transactions and (iii) inspect the Borrower's books.

#### 4.2.6 Application of Proceeds.

Any proceeds of sale or other disposition of the Collateral will be applied by the Bank to the payment of the Liabilities secured by this Agreement in such order and manner of application as the Bank may from time to time in its sole and absolute discretion determine. If the sale or other disposition of the Collateral fails to fully satisfy the Liabilities and the other Liabilities secured by this Agreement, the Pledgor shall remain liable to the Bank for any deficiency, if and to the extent the Pledgor is liable for the payment or performance of the Liabilities under the provisions of any of the Loan Documents.

#### 4.2.7 Performance by Bank.

If the Pledgor shall fail to perform, observe or comply with any of the conditions, covenants, terms, stipulations or agreements contained in this Agreement or any of the other Loan Documents, the Bank without notice to or demand upon the Pledgor and without waiving or releasing any of the Liabilities or any Event of Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the

expense of the Pledgor, and may enter upon the premises of the Pledgor for that purpose and take all such action thereon as the Bank may consider necessary or appropriate for such purpose and the Pledgor hereby irrevocably appoints the Bank as its attorney-in-fact to do so, with power of substitution, in the name of the Bank or in the name of the Pledgor or otherwise, for the use and benefit of the Bank, but at the cost and expense of the Pledgor and without notice to the Pledgor. All sums so paid or advanced by the Bank together with interest thereon from the date of payment, advance or incurring until paid in full at the highest rate of interest charged under the Note and all costs and expenses, shall be paid by the Pledgor to the Bank on demand, and shall constitute and become a part of the Liabilities.

#### 4.2.8 Other Remedies.

The Bank may from time to time proceed to protect or enforce its rights by an action or actions at law or in equity or by any other appropriate proceeding, whether for the specific performance of any of the covenants contained in this Agreement or in any of the other Loan Documents, or for an injunction against the violation of any of the terms of this Agreement or any of the other Loan Documents, or in aid of the exercise or execution of any right, remedy or power granted in this Agreement, the Loan Documents, and/or applicable Laws.

#### Section 4.3 Costs and Expenses.

The Pledgor shall pay on demand all reasonable costs and out of pocket expenses (including reasonable attorney's fees), all of which shall be deemed part of the Liabilities, incurred by and on behalf of the Bank incident to the preparation of and in connection with this Agreement, any collection, servicing, sale, disposition or other action taken by the Bank with respect to the Collateral or any portion thereof. Such costs and expenses shall become part of the Liabilities.

Section 4.4      Receipt Sufficient Discharge to Purchaser.

Upon any sale or other disposition of the Collateral or any part thereof, the receipt of purchase money by the Bank or other Person making the sale or disposition shall be a sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof.

Section 4.5      Remedies, Etc. Cumulative.

Each right, power and remedy of the Bank as provided for in this Agreement or in any of the other Loan Documents or in any related instrument or agreement or now or thereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or in the other Loan Documents or in any related document, instrument or agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Bank of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Bank of any or all such other rights, powers or remedies.

Section 4.6      No Waiver, Etc.

No failure or delay by the Bank to insist upon the strict performance of any term, condition, covenant or agreement of this Agreement or of any of the other Loan Documents or of any related documents, instruments or agreements, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Bank from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any amount payable under this Agreement or under any of the other Loan Documents or under any related document, instrument or agreement, the Bank shall not be deemed to waive the right either to require prompt payment when due of all other amounts payable under this Agreement or under any other of the Loan Documents, or to declare a default for failure to effect such prompt payment of any such other amount.

ARTICLE V  
MISCELLANEOUS

Section 5.1      Notices.

All notices, requests or demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing and delivered in accordance with the Guaranty.

Section 5.2      Amendments; Waivers.

This Agreement and the other Loan Documents may not be amended, modified, or changed in any respect except by an agreement in writing signed by the Bank and the Pledgor. No waiver of any provision of this Agreement or of any of the other Loan Documents, nor consent to any departure by the Pledgor therefrom, shall in any event be effective unless the same shall be in writing. No course of dealing between the Pledgor and the Bank and no act or failure to act from time to time on the part of the Bank shall constitute a waiver, amendment or modification of any provision of this Agreement or any of the other Loan Documents or any right or remedy under this Agreement, under any of the other Loan Documents or under applicable Laws.

Section 5.3      Cumulative Remedies.

The rights, powers and remedies provided in this Agreement and in the other Loan Documents are cumulative, may be exercised concurrently or separately, may be exercised from time to time and in such order as the Bank shall determine and are in addition to, and not exclusive of, rights, powers and remedies provided by existing or future applicable Laws. In order to entitle the Bank to exercise any remedy

reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Agreement. Without limiting the generality of the foregoing, the Bank may:

(a) proceed against the Pledgor with or without proceeding against the Borrower or any other Person who may be liable for all or any part of the Liabilities;

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(b) proceed against the Pledgor with or without proceeding under any of the other Loan Documents or against any Collateral or other collateral and security for all or any part of the Liabilities;

(c) without notice, release or compromise with any guarantor or other Person liable for all or any part of the Liabilities under the Loan Documents or otherwise; and

(d) without reducing or impairing the Liabilities of the Pledgor and without notice thereof: (i) fail to perfect the lien in any or all Collateral or to release any or all the Collateral or to accept substitute collateral, (ii) waive any provision of this Agreement or the other Loan Documents, (iii) exercise or fail to exercise rights of set-off or other rights, or (iv) accept partial payments or extend from time to time the maturity of all or any part of the Liabilities.

#### Section 5.4 Severability.

In case one or more provisions, or part thereof, contained in this Agreement or in the other Loan Documents shall be invalid, illegal or unenforceable in any respect under any Law, then without need for any further agreement, notice or action:

(a) the validity, legality and enforceability of the remaining provisions shall remain effective and binding on the parties thereto and shall not be affected or impaired thereby;

(b) the obligation to be fulfilled shall be reduced to the limit of such validity;

(c) if such provision or part thereof pertains to repayment of the Liabilities, then, at the sole and absolute discretion of the Bank, all of the Liabilities of the Pledgor to the Bank shall become immediately due and payable; and

(d) if affected provision or part thereof does not pertain to repayment of the Liabilities, but operates or would prospectively operate to invalidate this Agreement in whole or in part, then such provision or part thereof only shall be void, and the remainder of this Agreement shall remain operative and in full force and effect.

#### Section 5.5 Assignments by Bank.

The Bank may, without notice to, or consent of, the Pledgor, sell, assign or transfer to or participate with any Person or Persons all or any part of the Liabilities in accordance with the terms of the Loan Agreement, and each such Person or Persons shall have the right to enforce the provisions of this Agreement and any of the other Loan Documents as fully as the Bank, provided that the Bank shall continue to have the unimpaired right to enforce the provisions of this Agreement and any of the other Loan Documents as to so much of the Liabilities that the Bank has not sold, assigned or transferred. In connection with the foregoing, the Bank shall have the right to disclose to any such actual or potential purchaser, assignee, transferee or participant all financial records, information, reports, financial statements and documents obtained in connection with this Agreement and any of the other Loan Documents or otherwise.

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#### Section 5.6 Successors and Assigns.

This Agreement and all other Loan Documents shall be binding upon and inure to the benefit of the Pledgor and the Bank and their respective successors and assigns, except that the Pledgor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Bank.

Section 5.7 Applicable Law.

This Agreement, shall be governed by the laws of the State of Georgia, as if each of the Loan Documents and this Agreement had each been executed, delivered, administered and performed solely within the State of Georgia.

Section 5.8 Headings.

The headings in this Agreement are included herein for convenience only, shall not constitute a part of this Agreement for any other purpose, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 5.9 Entire Agreement.

This Agreement is intended by the Bank and the Pledgor to be a complete, exclusive and final expression of the agreements contained herein. Neither the Bank nor the Pledgor shall hereafter have any rights under any prior agreements but shall look solely to this Agreement for definition and determination of all of their respective rights, liabilities and responsibilities under this Agreement.

Section 5.10 Counterparts.

This Agreement may be executed in any number of duplicate originals, each of which shall be an original but all of which together shall constitute one and the same institute.

Section 5.11 Liability of the Bank.

The Pledgor hereby agrees that the Bank shall not be chargeable for any negligence, mistake, act or omission of any accountant, examiner, agency or attorney employed by the Bank in making examinations, investigations or collections, or otherwise in perfecting, maintaining, protecting or realizing upon any lien or security interest or any other interest in the Collateral or other security for the Liabilities. Except for willful misconduct or gross negligence, the Bank shall be under no liability for, and the Pledgor hereby releases the Bank from, all claims for loss or damage caused by (a) the Bank's failure to perform or collect any of the Collateral, or (b) the Bank's failure to preserve or protect any rights of the Pledgor under the Collateral. The Pledgor agrees that the duties of the Bank with respect to the Collateral shall be solely to use reasonable care in the custody and preservation of the Collateral in Bank's possession, which shall not include any steps necessary to preserve rights against prior parties. In the event the Bank enforces or seeks to enforce any of the rights of an owner of the Borrower under any of the Collateral, the Pledgor shall immediately reimburse the Bank for such costs and expenses

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(including actual attorney's fees reasonably incurred) so incurred and payment of such sums shall be secured by this Agreement.

*[SIGNATURES APPEAR ON THE FOLLOWING PAGE]*

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IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be executed, sealed and delivered, as of the day and year first written above.



PLEDGOR

LIME ENERGY ASSET DEVELOPMENT, LLC

By: /s/ Eric Dupont \_\_\_\_\_ (SEAL)

Name: Eric Dupont

Title: President

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EXHIBIT A

Pledgor further represents and warrants to the Bank as follows:

1. The exact legal name of Pledgor is as stated in the initial paragraph to this Agreement.

2. Pledgor's Tax Identification Number is: 27-1565667

3. (a) Pledgor's chief executive office is:

16810 Kenton Drive  
Suite 240  
Huntersville NC 28078

(b) Pledgor in fact manages the main part of its business operations from that address; and

(c) Pledgor is at that address, and that is the address at which persons dealing with Pledgor would normally look for credit information.

4. The mailing address of Pledgor to be inserted on financing statements covering the Collateral is:

16810 Kenton Drive  
Suite 240  
Huntersville NC 28078  
Attn: President

5. In the five (5) years preceding the date hereof, Pledgor has not changed its name, identity or organizational structure, has conducted business under no name other than its current name, and has conducted its business in no jurisdiction other than the jurisdiction in which its chief executive office is currently located, except as follows:

Conducts business in Georgia

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EXHIBIT B

NOTICE OF PLEDGE

Pledge by Lime Energy Asset Development, LLC (the "Pledgor")

To: GES – PORT CHARLOTTE, LLC (the "Borrower")

Notice is hereby given that, pursuant to a Pledge, Assignment and Security Agreement (a copy of which is attached hereto), dated October 31, 2011, (the "Assignment Agreement") from the Pledgor to RBC BANK (USA) (the "Bank"), the Pledgor has pledged and assigned to the Bank, and granted to the Bank a continuing first priority security interest in, all of its right, title and interest, whether now existing or hereafter arising or acquired, in, to, and under the following (the "Collateral"):

(a) all rights, title and interest in and to and as the member of the Borrower under the Borrower's operating agreement, as the same may have been or may be amended, supplemented, restated, or otherwise modified at any time and from time to time (the "Operating Agreement");

(b) all rights to receive any and all cash and non-cash distributions (regardless of how such distributions are classified and including any and all distributions-in-kind and liquidating distributions), profits, losses, income, revenue, returns of capital, repayments of any loans made by Pledgor to the Borrower (including interest and fees with respect to such loans), and any and all development, management and similar fees payable by the Borrower to Pledgor of any kind or nature whatsoever, together with any and all other rights and property interests including, but not limited to, accounts, contract rights, instruments and general intangibles arising out of, under or relating to the Borrower and/or the Operating Agreement;

(c) all other or additional equity or debt interests, other securities or property (including cash) paid or distributed in respect of the Borrower by way of any spin-off, merger, consolidation, dissolution, combination, reclassification or exchange of equity interests, asset sales, or similar rearrangement or reorganization; and

(d) all proceeds and products (both cash and non-cash) of the foregoing, whether now or hereafter arising under any of the foregoing.

Pursuant to the Assignment Agreement, the Borrower is hereby authorized and directed to:

(i) register on the Borrower's books the Pledgor's pledge to the Bank of the Pledgor's interests in the Borrower; and

(ii) make direct payment to the Bank of any amounts due or to become due to the Pledgor under the Operating Agreement, if so notified by the Bank.

The Pledgor hereby requests the Borrower to indicate the Borrower's acceptance of this Notice of Pledge and consent to and confirm its terms and provisions by signing a copy hereof

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where indicated below and returning the same to the Bank along with an Initial Transaction Statement in the form attached hereto.

Dated as of October 31, 2011

PLEDGOR:

LIME ENERGY ASSET DEVELOPMENT, LLC

By: /s/ Eric Dupont (SEAL)

Name: Eric Dupont

Title: President

BORROWER:

GES – PORT CHARLOTTE, LLC

By: LIME ENERGY ASSET DEVELOPMENT, LLC, its sole member and manager

By: /s/ Eric Dupont (SEAL)

Name: Eric Dupont

Title: President

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EXHIBIT C

INITIAL TRANSACTION STATEMENT

(Pledge by LIME ENERGY ASSET DEVELOPMENT, LLC, the “Pledgor”)

To: RBC Bank (USA)  
75 Fifth Street, NW, Suite 900  
Atlanta, GA 30308  
Attention: Brendan McGuire

Re: Member Interests in LIME ENERGY ASSET DEVELOPMENT, LLC the “Borrower”

1. Registration of Pledge. This is to confirm registration by the Borrower of the pledge to the Bank of the entire right, title and interest in and to the Borrower (the “Interest”) owned of record by the Pledgor, the holder of one hundred percent (100%) of the ownership interests in the Borrower (being a one hundred percent (100%) interest in the profits of the Borrower).

Such pledge was registered on October 31, 2011.

The address of the registered owner of the Interest is:

16810 Kenton Drive  
Suite 240  
Huntersville NC 28078

The registered owner’s Taxpayer I.D. No. is 27-1565667.

2. Liens, Adverse Claims and Restrictions. The Interest is not subject to any liens or restrictions of the Borrower or adverse claims.

(a) The Interest is subject to all of the terms of the operating agreement of the Borrower and of applicable laws.

(b) The Interest may not be transferred without compliance with the provisions of the operating agreement of the Borrower and compliance with applicable federal and state securities laws.

(c) At the time of registration of the pledge described above, the Interest was not subject to any liens or restrictions of the Borrower (except as set forth above or in the Operating Agreement), or any adverse claims as to which the Borrower has a duty pursuant to applicable state law.

This Initial Transaction Statement is a record of the rights of the Bank as of the time of its issuance, and is neither a negotiable instrument nor a security.

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Dated as of October 31, 2011.

BORROWER:

GES – PORT CHARLOTTE, LLC

By: LIME ENERGY ASSET DEVELOPMENT, LLC, its sole member and manager

By: /s/ Eric Dupont (SEAL)

Name: Eric Dupont

Title: President

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**RBC Bank****Intercreditor Agreement**

**THIS INTERCREDITOR AGREEMENT** (“Agreement”) is entered into as of October 31, 2011 by and among AMERICAN CHARTERED BANK (“American Chartered”), with a mailing address as set forth below, RBC BANK (USA) (“Bank”), with a mailing address of Post Office Box 1220, Rocky Mount, North Carolina 27802-1220, and consented and agreed to by GES - PORT CHARLOTTE LLC (“Borrower”), with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, North Carolina 28078 LIME ENERGY CO. and LIME ENERGY ASSET DEVELOPMENT, LLC (“Lime Development”)(collectively, “Guarantor”), with a mailing address of 16810 Kenton Drive, Suite 240, Huntersville, North Carolina 28078. American Chartered, Bank, Borrower and Guarantor each a “party” and collectively the “parties”.

Guarantor is, directly or indirectly, indebted or otherwise obligated or in the future may become, directly or indirectly, indebted or otherwise obligated to American Chartered, (all of such indebtedness and obligations, of whatever nature and kind, and the evidences thereof, if any, including all amendments, modifications, substitutions and replacements, severally and collectively, “American Chartered Obligations”). Some or all of the American Chartered Obligations are secured by liens and security interests in some or all of the assets now owned or in the future owned by Guarantor, or in which Guarantor now has an interest or in the future may have an interest. All notes, deeds of trust, security agreements, guaranty agreements, pledge agreements, negative pledge agreements and other documents now or hereafter evidencing the American Chartered Obligations, including all amendments, modifications, substitutions and replacements, severally and collectively, “American Chartered Loan Documents”).

Borrower is, directly or indirectly, indebted or obligated or in the future may become, directly or indirectly, indebted or obligated to Bank pursuant to a Loan Agreement of even date herewith between Borrower and Bank (all of such indebtedness and obligations under the Loan Agreement and any other documents or instruments now or hereafter executed or delivered in connection therewith, of whatever nature and howsoever evidenced, including all amendments, modifications, substitutions and replacements, severally and collectively, “Bank Obligations”). The Bank Obligations are unconditionally guaranteed by, among others, the Guarantor pursuant to a Continuing Guaranty Agreement dated on or about October 31, 2011 (all amendments, modifications, substitutions and replacements thereto being called the “Guaranty”). The Guaranty is unsecured. All notes, deeds of trust, security agreements, guaranty agreements, pledge agreements, negative pledge agreements and other documents now or hereafter evidencing the Bank Obligations, including the Guaranty, including all amendments, modifications, substitutions and replacements, severally and collectively, “Bank Loan Documents”).

It is a condition of the American Chartered Loan Documents that American Chartered consent to the Guaranty and the Bank Loan Documents to which each Guarantor is a party to, and American Chartered has agreed to consent to the Guaranty and the Bank Loan Documents to which each Guarantor is a party to, on the condition that this Agreement be executed and delivered by the parties hereto.

**NOW, THEREFORE**, for and in consideration of the foregoing, of the mutual promises herein contained, and for other good and valuable consideration, the receipt and independent sufficiency of which are hereby acknowledged by all parties hereto, the parties agree as follows:

**Notice**

Bank agrees that it will provide American Chartered with not less than 30 days prior written notice before it takes any action to enforce its rights against either Guarantor under any Bank Loan Document to which a Guarantor is a party. Bank further agrees that it will provide American Chartered with not less than 60 days prior written notice before (i) it increases the principal amount defined in the paragraph titled in the Guaranty as the “Limited \$ Guaranty” or (ii) securing the Guaranty. Notwithstanding the foregoing, such notice requirement shall be waived immediately upon any of the following events: (i) the filing of any insolvency proceeding against Guarantor or (ii) upon American Chartered taking any actions under the American Chartered Loan Documents to enforce its rights against the Guarantor. All notices and other communications under this Agreement will be deemed given three business days after mailing by registered or certified mail, postage prepaid, return receipt requested or on the business day following delivery to a nationally recognized overnight courier, addressed to the addresses of the parties as set forth in this Agreement. Any party hereto may, be written notice given hereunder to the other parties

hereto, designate a different address where communications should be sent, or for communications to be sent electronically or in some other non-tangible medium. Notices to American Chartered should be sent to the following address: American Chartered Bank, 450 E. Higgins Road, Elk Grove Village, Illinois 60007, Attn: William D. Provan, Telephone: (847) 956-3930, Facsimile: (847) 956-2181.

### **Consent.**

American Chartered hereby consents to the following documents, as in effect on the date hereof: (i) the Guaranty, (ii) that certain Pledge, Assignment and Security Agreement by Lime Development in favor of the Bank, (iii) that certain Hazardous Substances Indemnity Agreement made by Borrower and Guarantor in favor of Bank and (iv) this Agreement. American Chartered hereby agrees that each Guarantor's execution, delivery and performance of each such document as in effect on the date hereof is hereby expressly consented to by American Chartered for all purposes of the American Chartered Loan Documents.

### **General**

The Recitals are a part of this Agreement.

Any amendment or modification of this Agreement must be joined in by Bank and American Chartered in order for such amendment or modification to be binding on either or both of them; it being understood and agreed that the joinder of Borrower or Guarantor is not necessary to the effectiveness of any amendment or modification as to Bank, American Chartered or Borrower or Guarantor.

Except as provided herein to the contrary, all notices hereunder will be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses set forth herein, provided any party to this Agreement may, by written notice to the other parties, designate a different address where communications should be sent.

This Agreement will be governed by and construed in accordance with the laws of the State of Georgia, without giving effect to conflict of law provisions.

The terms of this Agreement will be binding upon and inure to the benefit of the heirs, successors and assigns of Bank, American Chartered, Borrower and Guarantor.

This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which will constitute one and the same instrument.

In this Agreement: (1) words in the neuter mean and include correlative words of the feminine and masculine genders and words importing the singular numbered meaning include the plural number, and vice versa; (2) words importing "persons" will include individuals as well as corporations and other organizations; (3) the use of the terms "including" or "included in" are not intended to be limiting, but will mean, "but not limited to"; and (4) the phrase "costs and expenses" will include the reasonable fees of attorneys and other service providers, and will include intangible personal property taxes, documentary stamp taxes, excise taxes and other similar taxes.

Borrower and Guarantor each join in the execution of this Agreement to consent to, acknowledge and agree to be bound by, its terms, and to agree to the rights and remedies of Bank herein created, including the right of Bank and American Chartered to amend or modify this Agreement without the joinder of Borrower or Guarantor.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this agreement to be executed under "SEAL" with authority duly obtained, as of the date first written above.

**AMERICAN CHARTERED:**

AMERICAN CHARTERED BANK

By: /s/ William D. Provan (SEAL)  
Name: William D. Provan  
Title: Group Senior Vice President

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**BANK:**

RBC BANK (USA)

By: /s/ Brendan McGuire (SEAL)  
Name: Brendan McGuire  
Title: Sr. Vice President - KBI

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**BORROWER:**

GES – PORT CHARLOTTE, LLC

By: Lime Energy Asset Development, LLC, its sole member and manager

By: /s/ Jeffrey Mistrz (SEAL)  
Name: Jeffrey Mistrz  
Title: Treasurer

**GUARANTOR:**

Lime Energy Asset Development, LLC

By: /s/ Jeffrey Mistrz (SEAL)  
Name: Jeffrey Mistrz  
Title: Treasurer

Lime Energy Co.

By: /s/ Jeffrey Mistarz (SEAL)

Name: Jeffrey Mistarz

Title: Chief Financial Officer