

SOLAR LOAN AGREEMENT

THIS SOLAR LOAN AGREEMENT ("Agreement") dated as of _____, 201__, is made and entered into by and between Public Service Electric and Gas Company, a New Jersey corporation ("Lender"), having its general offices at 80 Park Plaza, Newark, New Jersey 07102, and _____, a [State where formed] [type of entity], having its principal place of business at _____ ("Borrower"). Borrower and Lender are sometimes referred to as, individually, a "Party" and collectively, the "Parties."

RECITALS

A. The State of New Jersey's Renewable Portfolio Standards ("RPS") mandate that all electricity suppliers provide a percentage of their electricity sales from solar generation. To meet this requirement, the New Jersey Board of Public Utilities (the "BPU"), through its Office of Clean Energy, established a program for the use and trading of Solar Renewable Energy Certificates ("SRECs"). The SRECs are tracked using the Generation Attribute Tracking System ("GATS") operated by PJM-Environmental Information Services (the "SREC Program Administrator"). An SREC represents one megawatt hour of solar electricity production. The New Jersey Clean Energy Program ("NJCEP") allows for SRECs to be created, verified, tracked, sold to, and eventually retired by, electricity suppliers to meet their RPS solar requirement.

B. To assist the State in achieving its environmental objectives under the New Jersey RPS and New Jersey's Energy Master Plan, Lender has developed a solar loan program ("Program") through which Lender will provide long term financing for solar-powered generation projects located within Lender's electric distribution service territory. The BPU approved the Program in its Order dated May 31, 2013 in Docket No. EO12080726 (the "2013 Order").

C. Borrower has applied to Lender for term financing for a solar generation project ("Project") to be constructed at the real property identified in Borrower's Program application (the "Program Application"), located in the Municipality of _____, County of _____, inscribed on the tax map therefor as Block _____, Lot _____, and located at the street address known as _____, New Jersey (the "Premises").

D. Lender has agreed to provide Borrower with term financing, and Borrower accepts such financing in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the promises and the mutual covenants and agreements hereinafter set forth, the Parties hereto agree as follows:

1. Definitions. As used herein, unless the context clearly requires otherwise, the following terms shall have the following meanings:

"2013 Order" has the meaning ascribed to such term in the Recitals.

"90% Amount" has the meaning set forth in Section 2.5(b)(i).

"Actual Loan Balance" means the then-current unpaid principal and unpaid accrued interest under the Loan.

“Actual Payments” has the meaning set forth in Section 2.5(b)(i).

“Administration Fee” means a fee equal to eighty-five dollars (\$85.00) per kW of installed capacity of the Project, which amount shall be paid by Borrower to Lender at the closing of the Loan as a deduction from the Loan proceeds.

“Agreement” has the meaning ascribed to such term in the Preamble.

“Annual True-Up” has the meaning set forth in Section 2.5(b)(i).

“Annual True-Up Payment” has the meaning set forth in Section 2.5(b)(i).

“Biennial True-Up” has the meaning set forth in Section 2.5(b)(ii).

“Biennial True-Up Payment” has the meaning set forth in Section 2.5(b)(ii).

“Borrower” has the meaning ascribed to such term in the Preamble.

“Borrower’s SREC Account” has the meaning set forth in Section 2.5(c).

“BPU” has the meaning ascribed to such term in the Recitals.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which commercial banks in the City of Newark, State of New Jersey are required or permitted by law to close.

“Change of Control” shall have occurred if _____ shall (i) cease to directly or indirectly, through one or more wholly owned subsidiaries, legally and beneficially own at least 51% of the equity interests in Borrower, or (ii) cease to directly or indirectly, through one or more wholly owned subsidiaries, exercise control over the management of Borrower.

“Collateral” means: (a) the Project SRECs produced throughout the term of this Agreement by means of Borrower’s continued and ongoing operation of the Project, and all related rights to said SRECs, including any other Environmental Attributes arising from and/or out of the Project; (b) the Project Equipment; (c) the Project Documents; (d) any other assets or property in which Lender is granted a security interest, lien or pledge as security for the Obligations; and (e) all accessions, additions, substitutions, products and Proceeds to and of the foregoing.

“Commercial Operation” means the Project (a) is operating as intended and generating electricity for use at the Premises, and (b) meets all technical, financial and performance requirements specified in the Construction Agreement and the Power Purchase Agreement, if any.

“Construction Agreement” means the agreement between Borrower and one or more contractor(s) pursuant to which the Project was constructed.

“Contract Year” means the following: (a) if this Agreement is signed on the first day of the month, then the Contract Year is the twelve-month period beginning on the day the Agreement is signed, and ending on the last day of the twelfth month thereafter. For example, if this Agreement was signed on November 1st, the Contract Year would begin on November 1st and end on October

31st of the following year; (b) if this Agreement is signed on a day other than the first day of the month, then the first Contract Year will be the remainder of the month in which the Agreement was signed plus a twelve-month period beginning on the first day of the next month and each subsequent Contract Year will be measured from the first day of the first month thereafter. For example, if this Agreement was signed on April 7, 2014, the first Contract Year would begin on April 7, 2014 and end on April 30, 2015, and the second Contract Year would begin on May 1, 2015 and end on April 30, 2016, continuing thereafter accordingly.

“Environmental Attribute” has the meaning set forth in Section 6(b).

“Equipment” or “Project Equipment” means all of Borrower’s solar panels and Project-related equipment, machinery, components, wiring, meters, replacement parts and consumables comprising the Project, whether now owned or acquired after the date of this Agreement.

“Event of Default” has the meaning set forth in Section 11.1.

“Floor Price” means [_____] dollars (\$000.00) per Project SREC.

“GATS” has the meaning ascribed to such term in the Recitals.

“Interest Rate” has the meaning set forth in Section 2.3.

“kW” means kilowatt, as measured in direct current.

“Lender” has the meaning ascribed to such term in the Preamble.

“Lender’s SREC Account” means the Lender’s SREC account with the SREC Program Administrator.

“Lien” means any and all mortgages, liens, charges, security interests and/or encumbrances of any kind, and/or pledges or deposits of any kind.

“Loan” has the meaning set forth in Section 2.1.

“Loan Amortization Schedule” means the amortization schedule attached to the Note.

“Loan Documents” means this Agreement, the Note, the Security Agreement and such other documents, instruments and certificates delivered in connection with one or more of the foregoing.

“Market Price” means the most recent clearing price for SRECs of the same vintage as the Project SRECs, which clearing price is obtained from the SREC auction periodically conducted in accordance with the BPU Order dated November 7, 2008, in Docket Number EO07040278 or any subsequent BPU order (the “SREC Auction”). If there is no SREC Auction clearing price for the Project SRECs of a particular vintage, then the Market Price for the Project SRECs will be the auction clearing price for SRECs of the most recent vintage. For example, if there has been no previous SREC Auction clearing price for a 2016 vintage SREC, the Market Price for such SREC will be the most recent auction clearing price for a 2015 vintage SREC. If the SREC Auction is discontinued and the BPU does not approve an alternative SREC sales process, or if the Market Price cannot otherwise be determined from the SREC Auction, then the Market Price will be determined

by Lender in a commercially reasonable manner.

“NJCEP” means the BPU’s New Jersey Clean Energy Program, or any successor program thereto.

“Note” has the meaning set forth in Section 2.2.

“Obligations” means any and all obligations, liabilities, covenants and agreements of Borrower under the Loan Documents, and any and all costs and expenses of, or incurred by, Lender in collecting any of the foregoing and in enforcing the provisions of this Agreement, including all court costs and/or reasonable attorneys’ fees and expenses in any action between Lender and Borrower and/or Lender and any third party based on the Loan Documents.

“Operations and Maintenance Agreement” means the agreement between Borrower and a contractor for the operations and maintenance of the Project.

“Owner” means the owner(s) of 100% of the equity of Borrower.

“Party” or “Parties” has the meaning ascribed to such term in the Preamble.

“Permitted Encumbrances” means: (a) Liens securing taxes, assessments and/or governmental charges and/or levies or the claims of materialmen, mechanics, carriers, warehousemen, landlords and other similar Persons, the payment of which is not currently due and payable; (b) Liens in favor of Lender.

“Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, institution, entity, party, corporation, limited liability company, or government agency (whether national, federal, state, county, city, municipal, or otherwise), including any instrumentality, division, agency, body or department thereof.

“Power Purchase Agreement” means the agreement related to the sale of electricity produced by the Project from Borrower to an end-user.

“Premises” has the meaning ascribed to such term in the Recitals.

“Proceeds” means any and all consideration received from the sale, exchange, collection or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral, any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral, and shall include all cash and negotiable instruments received or held on behalf of Lender relating to the payment of accounts and any and all property of whatever nature received and/or held by Borrower or on behalf of Lender.

“Program” has the meaning ascribed to such term in the Recitals.

“Program Application” has the meaning ascribed to such term in the Recitals.

“Project” has the meaning ascribed to such term in the Recitals.

“Project Documents” means: (a) the Power Purchase Agreement (if any); (b) the Site Agreement (if any); (c) the Construction Agreement; (d) the Operations and Maintenance Agreement; (e) Lien waivers signed by any supplier, vendor or contractor performing work or providing services or equipment to the Project; (f) Lien waivers and subordination agreements signed by any other lienholders or mortgagees of Borrower, or Borrower’s landlord, if any, waiving or subordinating any Liens on the Collateral; (g) Project specifications, maintenance agreements and other technical information regarding the Project; (h) any and all applicable permits, licenses, easements, variances and other authorizations; (i) Program Application documents, project plans and pro formas, and other Program-related documents; (j) warranties from Equipment manufacturers or contractors; and (k) any and all other appropriate documents as may be requested by Lender.

“Project SRECs” means the SRECs created by the Project.

“Proposed Transferee” has the meaning set forth in Section 16.2.

“Quarter” or “Quarterly” means a quarterly period measured based on Contract Years.

“Quarterly Amortization Statement” has the meaning set forth in Section 2.5(a).

“Regulatory Change” has the meaning set forth in Section 2.9(b).

“Repayment Election” has the meaning set forth in Section 2.5(c).

“RPS” has the meaning ascribed to such term in the Recitals.

“Scheduled Loan Balance” has the meaning set forth in Section 2.5(b)(ii).

“Security Agreement” means that certain Security Agreement, dated concurrently herewith, setting forth the terms, conditions, obligations and rights of the Parties as to the Collateral.

“Site Agreement” means the lease, license, easement or other agreement of any kind which gives Borrower the right to locate the Project at the Premises.

“SRECs” has the meaning ascribed to such term in the Recitals.

“SREC Account” means the electronic account established and maintained with the SREC Program Administrator to track SRECs produced by the Project.

“SREC Processing Fee” means an annual fee to be paid by Borrower to Lender in an amount which shall initially be equal to Twelve and 58/100 Dollars (\$12.58) per Project SREC and then adjusted annually as part of the Annual True-Up and Biennial True-Up provided for herein pursuant to the 2013 Order.

“SREC Program Administrator” has the meaning ascribed to such term in the Recitals or any successor to the SREC Program Administrator recognized by the State of New Jersey.

“Term” has the meaning set forth in Section 2.4.

2. Loan; General Terms.

2.1 Loan. In order to enable Borrower to acquire the ownership and use of the Project, Lender agrees to lend to Borrower a portion of the costs incurred in designing, purchasing and installing the Project in the amount of _____ (\$_____), which amount is referred to herein as the "Loan." At the closing of the Loan, the Administration Fee shall be deducted from the Loan and retained by Lender.

2.2 Promissory Note. The Loan shall be evidenced by a secured Promissory Note ("Note") made by Borrower and delivered to Lender concurrently with the execution of this Agreement.

2.3 Interest Rate. The Loan shall bear interest at the rate of **11.179%** per year, or at a daily rate of 0.0306% (calculated as $11.179\% \div 365$) (the "Interest Rate"). Interest shall be calculated daily and compounded monthly based on the average daily outstanding loan balance (excluding the current month's accrued interest) *multiplied by* the daily interest rate *multiplied by* the number of days in such month. Regardless of whether the Loan is paid in cash or Project SRECs as provided hereunder, without limiting any of Lender's rights under this Agreement, if the interest component of any periodic payment is not paid on the payment due date indicated on the Loan Amortization Schedule, the unpaid portion of such interest component shall bear interest at the stated rate. If this occurs, the effective rate of interest with respect to the Loan will be higher than 11.179% per year.

2.4 Term. This Agreement shall have a term of ten (10) years from the date hereof (the "Term"). Borrower may prepay the Loan prior to the end of the Term in accordance with the provisions of Section 2.6.

2.5 Repayment of Loan.

(a) The full amount of the Loan, and all interest due thereon, is payable in periodic installments as set forth in the Note. All amounts due under this Agreement and the Note can be paid in (i) cash or (ii) the value of the Project SRECs. Following each Quarter, Lender will provide an amortization statement to Borrower showing the amount paid by Borrower in cash and Project SRECs, the current balance of the Loan and the expected balance according to the Loan amortization statement ("Quarterly Amortization Statement").

(b) Repayment with SRECs. Except as provided in Section 2.5(c), the Loan and accrued interest shall be repaid with Project SRECs, which will be valued at the greater of the Floor Price or the Market Price. At the closing of the Loan and for the duration of the Term, Borrower shall execute such documents as are necessary to assign to Lender all of the Project SRECs until the Loan is repaid in full and do all things necessary to ensure that all Project SRECs are credited to Lender in a timely manner. Borrower shall have a continuing obligation to execute such documents as may be necessary to authorize the SREC Program Administrator to automatically transfer Project SRECs to Lender's SREC Account. If the value of the Project SRECs exceeds the amount due from Borrower for a period under the Loan Amortization Schedule, Lender will apply such excess amount to the Actual Loan Balance. The application of such excess shall not reduce the periodic payments under the Loan Amortization Schedule except that upon full payment of all amounts due with respect to the Loan, no further periodic payments thereunder shall be required.

(i) Annual True-Up. Lender will perform a true-up at the end of every Contract Year (the “Annual True-Up”). Lender will calculate (a) the aggregate value of the Project SRECs and cash (excluding any Annual True-Up or Biennial True-Up payments made that Contract Year) received from Borrower to pay the Loan for the Contract Year (“Actual Payments”), and (b) ninety percent (90%) of the total payments due with respect to the Loan for the Contract Year as indicated in the Loan Amortization Schedule (the “90% Amount”). Within thirty (30) days from receipt of written notice from Lender, Borrower will pay Lender in cash the SREC Processing Fee and an amount (the “Annual True-Up Payment”) equal to the positive difference, if any, between (x) the 90% Amount *minus* (y) the Actual Payments, and such Annual True-Up Payment will be applied to the Actual Loan Balance. Overdue Annual True-Up Payments shall accrue interest at the rate set forth in Section 11.2(c) and, in addition, may be subject to a late fee equal to one percent (1%) of the Actual Loan Balance.

(ii) Biennial True-Up. In addition to performing the Annual True-Up for each Contract Year, Lender will also perform a biennial true-up, the first to take place at the end of the second Contract Year and then every two Contract Years thereafter (the “Biennial True-Up”). Lender will (a) calculate the Actual Loan Balance at the end of the second Contract Year (after giving effect to any payment required under the Annual True-Up for the current Contract Year) and (b) using the Loan Amortization Schedule, determine the scheduled Loan balance (“Scheduled Loan Balance”) for the corresponding period. Within thirty (30) days from receipt of written notice from Lender, Borrower will pay Lender in cash the SREC Processing Fee and an amount (the “Biennial True-Up Payment”) equal to the positive difference, if any, between (x) the Actual Loan Balance *minus* (y) the Scheduled Loan Balance, and such Biennial True-Up Payment will be applied to the Actual Loan Balance. Overdue Biennial True-Up Payments shall accrue interest at the rate set forth in Section 11.2(c) and, in addition, may be subject to a late fee equal to one percent (1%) of the Actual Loan Balance.

(c) Cash Repayment. Borrower may elect to repay the Loan with cash and must indicate such election in the Loan commitment letter (the “Repayment Election”). The Repayment Election shall be effective for the remainder of the Term unless Borrower submits a revised Repayment Election at least ninety (90) days prior to the end of a Contract Year. Borrower shall not revise its Repayment Election during the Contract Year. If Borrower elects to repay the Loan with cash, Lender will continue to accept delivery of the Project SRECs from the SREC Program Administrator into Lender’s SREC Account. Lender shall promptly thereafter transfer the Project SRECs to Borrower’s SREC account with the SREC Program Administrator (“Borrower’s SREC Account”), which Borrower shall establish at Borrower’s sole cost and expense. Borrower shall pay Lender the SREC Processing Fee for all Project SRECs delivered to Borrower’s SREC Account. Borrower may sell the Project SRECs delivered to Borrower’s SREC Account in accordance with Section 6(a).

(d) All payments with respect to the Loan (whether in cash or Project SRECs) will be credited against the Loan on the last day of the month and will be applied first, to the payment of accrued interest, and second, to the repayment of the principal amount of the Loan.

(e) Within thirty (30) days following the expiration of the Term, Borrower will pay to Lender the Actual Loan Balance (if any), including interest accrued after the expiration of the Term, all calculated in accordance with Section 2.3.

2.6 Prepayment of Loan. Borrower may prepay all or a portion of the Actual Loan Balance at any time during the Term by paying to Lender cash and/or SRECs, which SRECs will be valued at the Market Price.

2.7 Creation of SRECs. Lender will seek to obtain the generation output data from the Project on a monthly basis and report such data to the SREC Program Administrator, which is responsible for creating the Project SRECs. Consistent with the 2013 Order, if Lender is unable to obtain generation output data from the Project for any reason, no data will be reported to the SREC Program Administrator and SRECs will not be created or credited to the Loan until the generation output data is next obtained and reported to the SREC Program Administrator. Borrower may, at its sole cost and expense, arrange for the installation of additional revenue-grade metering equipment which is capable of measuring the electricity generated from the Project in accordance with the Program requirements. Lender may use the generation output data from such additional metering equipment to report to the SREC Program Administrator. Borrower will cooperate and do all things necessary to ensure that all Project SRECs are credited to Lender in a timely manner.

2.8 Inspections. Upon written notice to Borrower, Lender (or its designee) may inspect the Project to confirm that Borrower is operating and maintaining the Project in accordance with this Agreement. Borrower shall not rely on Lender's inspection for any purpose and shall be solely responsible for ensuring that the Project is installed, constructed, operated and maintained in accordance with the Construction Agreement. Lender's inspection of the Project or the disbursement of a Loan shall not be deemed to constitute Lender's approval or warranty of the Project, the Equipment or any contractor or vendor and/or its continued operation.

2.9 Regulatory Changes; Acceleration of Loan.

(a) Change in Rate Treatment. The Borrower hereby waives all rights to initiate any proceeding to challenge the regulatory treatment accorded Lender's recovery of net revenue requirements associated with the Program as approved by the BPU in the 2013 Order. In addition, if any legislative, judicial or governmental entity of competent jurisdiction impairs or disallows the full and timely recovery through the Solar Loan III component of Lender's electric RGGI Recovery Charge or a like successor clause or rate mechanism including recovery of net revenue requirements associated with the Program as provided for in the 2013 Order, then, at the option of Lender and upon written notice to Borrower, the outstanding balance of the Loan and any other amounts due Lender under this Agreement shall be determined and such outstanding amount shall become due and payable in cash by Borrower within thirty (30) days of the date of Lender's written notice to Borrower.

(b) Change in Regulation. If the existing New Jersey regulations governing the Program are amended, suspended and/or otherwise no longer in force (a "Regulatory Change"), Lender may accelerate the repayment of the unpaid portion of the Loan and accrued interest unless:

(i) Borrower continues to operate the Project in accordance with this Agreement;

(ii) The minimum monetary value of the Project SRECs is the Floor Price, and the terms in this Agreement governing the amortization of the Loan and payment of all accrued interest remain in full force and effect; and

(iii) The BPU continues to allow Lender to enjoy the comparable treatment, as described more fully in Section 2.9(a) above, with regard to those Projects in operation and creating SRECs after the Regulatory Change as Lender enjoyed prior to the Regulatory Change.

3. No Assumption of Liabilities. Lender shall not assume any liabilities and obligations of Borrower of any kind or nature whatsoever, including any liabilities and obligations of Borrower under any of the Project Documents.

4. Conditions Precedent to Advancing the Loan. Lender shall not be obligated to advance the Loan unless the following conditions are satisfied, in form and substance satisfactory to Lender and its counsel, on or prior to the closing of the Loan:

(a) All of the Loan Documents shall have been completed, duly executed and delivered by Borrower to Lender.

(b) Lender shall have received: (i) record searches identifying all financing statements, judgments, tax liens and other Liens on file with respect to Borrower in all jurisdictions (state and county) as Lender may deem appropriate, indicating that no Person, other than Lender and any other holders of Permitted Encumbrances, has any Lien on any of the Collateral; (ii) record owner and mortgage lien searches of the real estate records applicable to the Premises; (iii) duly executed Lien waivers or subordinations from contractors, vendors, lienholders, mortgagees, property owners, tenants, and such other persons or entities as Lender shall determine, which shall be in full force and effect, and in form and substance satisfactory to Lender; (iv) satisfactory evidence of all insurance coverage required in this Agreement; and (v) any and all other documents related to the Collateral or Borrower that Lender reasonably requests.

(c) Lender shall have received all Project Documents as Lender may request for the Project, each duly executed by each Person that is a party to it, each of which shall be in full force and effect, and in form and substance satisfactory to Lender.

(d) Borrower shall have notified Lender in writing that the Project is substantially complete and meets all technical and performance requirements associated with its intended use.

(e) Lender shall have received a field inspection report confirming that the Project has achieved Commercial Operation and is capable of producing SRECs.

(f) Metering equipment capable of measuring the electricity generated from the Project shall have been installed in accordance with the Program requirements.

(g) If Borrower is repaying the Loan with cash, Borrower shall have opened an SREC Account and provided Lender with the SREC Account name.

(h) If Borrower is repaying the Loan with Project SRECs, Borrower shall have assigned to Lender all rights to receive the Project SRECs.

(i) There is no: (i) injunction, writ, preliminary restraining order, or any order of any nature issued by an arbitrator, court or other governmental authority directing that the transactions provided for herein and/or in the Project Documents not be consummated; or (ii) suit,

litigation, investigation hearing or proceedings of or before any arbitrator, court or other governmental authority pending or threatened against Borrower or any of its properties, revenues or assets and/or the purchaser under the Power Purchase Agreement, with respect to the Loan Documents, the Project Documents, and/or any of the transactions contemplated hereby or thereby that could result in a material and adverse change hereto or thereto.

(j) No Event of Default under any agreement applicable to Borrower has occurred and is continuing or will result from the execution of this Agreement.

(k) The representations and warranties of Borrower contained in this Agreement shall be true and correct as of the date of the closing of the Loan.

(l) The Program, or any successor thereto, remains in effect.

(m) No event shall have occurred since the date of the execution and delivery of the Program Application which, in the good faith opinion of Lender, is likely to materially and adversely affect the financial and/or credit prospects of Borrower, the operability of the Project as contemplated or otherwise impair the ability of Borrower to perform its obligations under the Loan Documents and/or the Project Documents.

(n) Lender shall have received, as required, Borrower's current internally or independently prepared interim financial statement or latest federal tax return.

5. Security Agreement. As security for the payment and performance of the Obligations of Borrower under the Loan Documents, Borrower, concurrent with its execution of this Agreement, will execute and deliver to Lender a fully executed Security Agreement.

6. SRECs and Environmental Attributes.

(a) If Borrower has elected to repay the Loan in cash pursuant to Section 2.5(c), it may resell the Project SRECs to a third party so long as Borrower first notifies Lender in writing of the sale price and quantity of Project SRECs to be sold. Within thirty (30) days after the consummation of the sale, Borrower must pay to Lender the entire sale proceeds (less reasonable broker commission) for use towards (i) the payment of all accrued interest on the Loan, then (ii) the amortization of the principal amount of the Loan in the month Borrower receives the sale proceeds.

(b) For purposes of this Agreement, an "Environmental Attribute" is an instrument used to represent the environmental costs and/or benefits associated with a fixed amount of electricity generation from the Project, which may include any successor to an SREC. For the Project, Environmental Attribute represents the general environmental benefit of renewable generation such as, for example, and not by means of exclusion, air pollution avoidance. The exact quantity of the environmental benefit (*e.g.*, pounds of emission reductions of a given pollutant) is not indicated by an Environmental Attribute, though it can be quantified separately in pollution trading markets and through engineering estimates. The Environmental Attribute represents all environmental benefits, whether or not a trading market for such pollutants or benefits exists. Borrower hereby assigns all Environmental Attributes to Lender. Lender will use commercially reasonable methods to monetize such Environmental Attributes and use the proceeds to repay the Loan.

7. Representations and Warranties of Borrower.

7.1 Organization. Standing and Power. Borrower is a _____ duly organized, validly existing and in good standing under the laws of _____. Borrower has qualified to do business in each and every jurisdiction where the failure of Borrower to so qualify would have a material and adverse impact on Borrower's ability to perform under this Agreement or any of the other Loan Documents. Borrower has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted, to operate the Project substantially as contemplated by the Project Documents, and to execute, deliver and perform under this Agreement and any of the other Loan Documents and all writings relating hereto and thereto. All of Borrower's federal, state, local and foreign income, profits, franchise, sales, use, occupation, property, excise and other tax returns and tax reports, if any, required to be filed with respect to the business and assets of Borrower have been filed, as of, at a minimum, the date hereof with the appropriate governmental agencies, and all taxes, governmental charges and assessments due and payable with respect to such returns and reports have been paid.

7.2 Authorization of Borrower. The execution, delivery and performance by Borrower of this Agreement and all other writings relating hereto and thereto have been duly and validly authorized by Borrower. No consent or approval of or notification to any party, other than any consent or approval that has been obtained, is required in connection with the execution, delivery and performance by Borrower of this Agreement, the other Loan Documents and/or any writing relating hereto and thereto or the consummation of the transactions contemplated hereby or thereby.

7.3 Litigation Claims and Proceedings. No litigation, suits, claims, or judicial or administrative proceedings of any nature are pending or, to the best knowledge of Borrower, threatened against Borrower, Borrower's property or the Project, the effects of which would have a material adverse effect on Borrower, its business, its financial condition and/or the Project.

7.4 Liens or Encumbrances on Collateral. Borrower represents that there are no liens on the Collateral other than the Permitted Encumbrances.

7.5 Laws and Regulations. Borrower is not in violation of any federal, state or local laws, ordinances or regulations pertaining to any of the Loan Documents, any of the Project Documents and/or any of the transactions contemplated in any of the foregoing or the Project.

7.6 Non-contravention. The Loan Documents do not violate any agreements to which Borrower is a party or by which Borrower or its assets are bound.

7.7 Disclosures. No representation or warranty by Borrower contained in this Agreement, and no statement contained in any certificate, schedule, exhibit, list or other writing furnished to Lender in connection with this transaction and/or in connection with the Project contains any material untrue statement of fact or omits to state any material fact necessary in order to make the statements contained herein or therein not materially misleading. All copies of all writings furnished to Lender in connection with this Agreement or the transactions contemplated in the Loan Documents, are true and complete in all material respects. All schedules and exhibits to this Agreement, if any, are true and complete in all material respects.

7.8 Purchase Money Security Interest. The security interest granted to Lender by Borrower in the Collateral is a purchase-money security interest. The acquisition of the Project

and the financing under this Agreement are related transactions. The purpose of the Loan is to enable the acquisition of the Project. Borrower obtained the commitment of Lender to make the Loan prior to arranging for the purchase and installation of the Project. The amount of the Loan does not exceed Borrower's cost of acquiring the Project.

7.9 SRECs. The Project SRECs delivered to Lender hereunder were created in compliance with all applicable laws and are eligible for use in complying with the RPS. Borrower shall promptly notify Lender of any change in circumstance which causes the foregoing representation to no longer be true including providing a copy of any notice received from any governmental authority indicating or determining that the Project SRECs are no longer RPS-eligible. Lender shall not be required to pay down the Loan with Project SRECs that are not RPS-eligible.

8. Representations and Warranties of Lender. As of the date hereof, Lender represents and warrants that Lender is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey and has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

9. Covenants of Borrower.

9.1 Affirmative Covenants. From and after the date hereof, Borrower shall:

(a) forward to Lender copies of all notices, requests, correspondence and other communications relating to the Project Documents and/or the Project promptly upon receipt thereof;

(b) cause each policy of insurance to provide that Lender shall be entitled to thirty (30) days' prior written notice from the insurer prior to any termination or modification thereof;

(c) manage, operate and maintain the Project in compliance with all provisions of the Construction Agreement, the Operations and Maintenance Agreement, the Power Purchase Agreement, the other Project Documents, manufacturer's specifications and with all applicable federal, state and local laws, ordinances and regulations;

(d) maintain and/or cause to be maintained the Project in good operating condition, reasonable wear and tear excepted;

(e) file when and as due all federal, state, local and foreign income, profits, franchise, sales, use, occupation, property, excise and other tax returns and tax reports required to be filed with respect to the business and assets of Borrower including the Collateral with the appropriate governmental agencies, and pay, when and as due, all such taxes to all such appropriate governmental agencies;

(f) advise Lender in writing of any breach or default, or any circumstances that constitute, or with the passage of time will come to constitute, a breach or default under any of the Loan Documents or Project Documents, or in any way impair the validity or enforcement of any obligation, or tend to reduce the amount payable, under any of the Loan Documents or Project Documents;

(g) advise Lender in writing of any material and adverse change or any event, occurrence or circumstance that is likely to cause a material and adverse change in the Project and/or the condition, financial or otherwise, business or operations of Borrower;

(h) provide Lender, within 120 days after Borrower's fiscal year-end, Borrower's financial statements, which shall be prepared by an independent Certified Public Accountant in accordance with Generally Accepted Accounting Principles and, as Lender may require, shall be either compiled, reviewed or audited; provided, however, that Lender may, in its sole discretion, accept other fiscal year-end financial reports;

(i) provide Lender, within ten (10) days from receipt of Lender's written request or as required as a condition of Loan approval, Borrower's most recent internally or independently prepared interim financial statements on a quarterly or semiannual basis, as Lender may require;

(j) authorize Lender to access and review, from time to time, Borrower's Project information on record with the SREC Program Administrator; and

(k) at its sole cost and expense: (A) take any and all actions necessary to defend its respective title, rights and interests in and to the Collateral against all Persons and, further, to defend the security interest of Lender in the Collateral and the priority thereof against any Lien that is not a Permitted Encumbrance; and (B) advise Lender promptly, in reasonable detail, of any Lien made or asserted against any of the Collateral and of the occurrence of any event that may have an adverse effect on the aggregate value of the Collateral and/or on the security interest in the Collateral granted to Lender.

9.2 Negative Covenants. Except as otherwise permitted in this Agreement, from and after the date hereof Borrower shall not:

(a) mortgage, pledge or otherwise encumber or subject to lien, or allow to be encumbered or subjected to lien, or sell, dispose of, or agree to sell or dispose of, or lease or license to others or agree to so lease or license, any of the assets used or useful in the Project, including any real or tangible personal property and/or commit to do any of the foregoing;

(b) cancel or change any material existing insurance policy relating to the Project, unless replaced by an insurance policy providing substantially the same coverage;

(c) merge or consolidate with any partnership, corporation or other entity of any nature, or change either its name or the address of its principal offices without first giving Lender thirty (30) days' prior written notice of Borrower's intent to do so, or dissolve, liquidate or wind up its affairs, or sell, lease, transfer or otherwise dispose of a significant portion of its assets, or agree to do any of the foregoing;

(d) sell or relocate the Project Equipment without the prior written consent of Lender; or

(e) allow or suffer to exist a Change of Control to which Lender has not provided its prior written consent, which consent may be withheld, delayed or conditioned in Lender's sole and absolute discretion.

9.3 Information; Access to Properties; Books and Records.

(a) Borrower shall make available for inspection, upon reasonable request of and written notice from Lender and at Lender's expense, any and all information relating to the Project, including all books and records reasonably requested by Lender in connection with the Project. Borrower shall permit Lender to make copies of books and records relating to the Project. Should Lender, in the course of inspecting any such books and records, discover any material defect which amounts to, or reasonably will amount to, an Event of Default under Section 11.1, the costs and expenses incurred by Lender in performing such inspection shall be solely borne by Borrower.

(b) Borrower shall allow Lender and Lender's authorized representatives reasonable access to the real and tangible personal property relating to the Project for the purpose of conducting investigations and examinations of the Project. No investigation by Lender or any of Lender's representatives under this section shall affect any representation, warranty and/or covenant of any Party to this Agreement.

9.4 Insurance.

(a) Borrower shall maintain the following minimum insurance coverages on the Project and the Collateral:

(i) Commercial General Liability insurance, for bodily injury and property damage, with limits of not less than: FIVE MILLION DOLLARS (\$5,000,000) per occurrence and FIVE MILLION DOLLARS (\$5,000,000) annual aggregate, and naming Lender as an additional insured under such policy;

(ii) All Risk Property insurance covering the replacement cost of the Project and naming Lender as an additional insured and loss payee with respect thereto with a maximum deductible of \$25,000;

(iii) Fidelity/Crime Insurance for limits of at least ONE MILLION DOLLARS (\$1,000,000) per claim; and

(iv) such other insurance as Lender may reasonably require.

(b) The insurance shall be issued by a nationally-known insurance underwriter having an A.M. Best's rating of "A-/VII" or better, or, for underwriters not rated by A.M. Best, a quality equivalent to that of an A.M. Best rating of "A-/VII" or better, as decided by Lender in its sole discretion.

(c) Each policy of insurance shall provide that each insurer will provide Lender with written notice thirty (30) days prior to any termination or modification thereof. If Borrower fails to pay any insurance premium, Lender shall have the right (but shall be under no duty) to pay such premiums, and Borrower shall promptly reimburse Lender all costs and expenses reasonably incurred by Lender, together with interest thereon at the Interest Rate. In the event of an insurable loss with respect to the Project, Borrower shall deliver the full replacement cost of the Equipment from the insurance Proceeds to Lender. Borrower hereby authorizes and directs Lender, and Lender shall have the sole discretion, to apply or pay all such Proceeds to (i) the payment of the Obligations, (ii) the restoration or replacement of the property destroyed or damaged, or (iii) Borrower.

(d) Each such insurance policy set forth above shall include (i) provisions or endorsements naming Lender as an additional insured; (ii) provisions that such insurance is primary insurance with respect to the interest of Lender and that any insurance maintained by Lender is excess and not contributory insurance with the insurance required hereunder; (iii) a cross-liability or severability of insurance interest clause; and (iv) provisions by which the insurer waives all rights of subrogation against Lender.

(e) Borrower shall provide Lender with Certificates of Insurance acceptable to Lender evidencing the policies, provisions and endorsements listed above as a condition of closing the Loan and, upon request of Lender, during the Term of the Loan.

9.5 Maintenance of Equipment. During the Term, Borrower shall cause the Project and all related Equipment to be operated and maintained in accordance with the Project Documents and manufacturer's specifications. Borrower shall ensure that all necessary repairs and replacements are made so that the value and operating efficiency of the Project shall be maintained and preserved, normal wear and tear excepted. If Lender reasonably determines that Borrower has failed to maintain the Equipment in good operating condition and in accordance with the Project Documents, Lender may undertake the maintenance of the Equipment and Borrower shall reimburse Lender upon demand for all of Lender's reasonable incurred costs and expenses plus interest thereon at the Interest Rate.

9.6 Maintenance of Collateral. Borrower will properly protect and maintain the Collateral and defend the Collateral against any claims and/or demands against it. Borrower shall use reasonable means to ensure that the Equipment is not affixed to real estate in a manner so as to be deemed a "fixture" as defined under the Uniform Commercial Code.

9.7 No Other Interests Granted. Except for the Permitted Encumbrances, Borrower has not executed, will not execute, and has not had or will not have executed on its behalf, any assignment, pledge, security or other similar agreement or financing statement covering the Collateral, or any portion of it. Borrower will keep the Collateral free from any and all liens, claims, security interests and encumbrances of any kind or nature, except for the assignment, pledge and security interest granted to Lender in the Loan Documents.

9.8 Change of Place of Business. Borrower will notify Lender in writing prior to any change in Borrower's place of business, or, if Borrower has or acquires more than one place of business, prior to any change in either Borrower's chief executive office and/or the office or offices where Borrower's books and records are kept.

9.9 Change in Name. Borrower will notify Lender immediately in writing of any proposed or actual change of Borrower's name, identity and/or corporate structure.

9.10 Further Assurances. Borrower agrees that, upon Lender's request at any time, Borrower shall take all actions reasonably required to assure to Lender a perfectable, first priority security interest in the Collateral.

9.11 Use of Proceeds. The proceeds of the Loan will be used to acquire the Project or, if the Project has already been acquired, the proceeds of the Loan will be used to satisfy unpaid obligations of Borrower related to the acquisition.

10. Covenants of Borrower and Lender. Borrower and Lender shall cooperate and use all reasonable efforts, in good faith, to make all registrations, filings and applications and to give all notices and obtain all governmental and regulatory consents, authorizations, approvals, licenses, permits, orders, qualifications and waivers necessary or desirable for the consummation of the transactions contemplated in this Agreement.

11. Events of Default; Remedies; Cure Rights.

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an “Event of Default”:

(a) any failure of Borrower to make any payment of principal or interest as provided in the Note and/or in this Agreement;

(b) any material representation or warranty made by Borrower, or any material statement, information or certification made or provided by Borrower to Lender in connection with this Agreement, any of the other Loan Documents and/or the Project, shall prove to have been false or incorrect in any material respect at the time made or given;

(c) without the consent of Lender, a Change of Control or an assignment by Borrower of this Agreement or any of the rights created by this Agreement shall have occurred;

(d) the failure by Borrower to perform or observe any of the material covenants, agreements, terms, conditions or provisions of this Agreement not otherwise specified in this section;

(e) Borrower (i) makes an application for the appointment of a receiver, trustee or custodian for the Collateral and/or any other of Borrower’s assets; (ii) files a petition under any chapter of the Bankruptcy Code or any similar federal and/or state law or regulation providing for the relief of debtors; (iii) makes an assignment for the benefit of its creditors; (iv) has a petition in bankruptcy, or other similar relief, filed against it, and such petition is not withdrawn or discharged within ninety (90) days after the date of its filing; or (v) institutes any proceeding or action for the dissolution, liquidation, or termination of Borrower;

(f) Borrower fails to pay, when due, any amount required to be paid to Lender;

(g) Borrower commits an Event of Default under the Security Agreement;

(h) an Event of Default, as such term is defined in any of the Project Documents, occurs;

(i) Borrower breaches and/or defaults under any agreement between Borrower and Lender;

(j) Borrower defaults under any of its obligations to a subordinate lienholder with respect to the Collateral;

(k) any order, judgment or decree for the payment of money which would have a material and adverse effect on the Collateral or the financial condition of Borrower is entered against Borrower, and such order, judgment or decree shall not be satisfied and be in effect for twenty (20)

consecutive calendar days without being vacated, discharged, satisfied or stayed or bonded pending appeal;

(l) any lien or encumbrance of any kind or character, other than any Permitted Encumbrances, shall attach to the Collateral, or any portion thereof, or any levy, seizure or attachment thereof or thereon; and/or

(m) Lender's Lien on or security interest in any of the Collateral becomes unenforceable.

11.2 Cure Rights; Remedies.

(a) Upon the occurrence of an Event of Default, Lender shall provide written notice of such Event of Default to Borrower. Following receipt of such notice, Borrower shall have: (i) a two-Business Day period within which to fully cure any Event of Default involving the payment of money; and (ii) a thirty-calendar day period within which either to cure any Event of Default not involving the payment of money or, if the Event of Default does not involve the payment of money and cannot be fully cured within the thirty-calendar day period, to institute corrective action satisfactory to Lender and to pursue such corrective action diligently, provided that the thirty-calendar day cure period shall not be made available to Borrower if Lender determines, in its sole discretion, that Lender's rights with respect to Borrower and/or the Collateral could be materially adversely affected. These provisions regarding notice and cure periods shall not apply in the case of Section 11.1(e).

(b) Upon the occurrence of an Event of Default that is not timely cured, as per Section 11.2(a), Lender, in its sole discretion, may declare the entire outstanding amount of the Loan and all accrued and unpaid interest to be immediately due and payable.

(c) Upon Borrower committing an Event of Default, Lender shall have the right to exercise, at its option, any and all rights and remedies available at law and/or in equity and/or other proceeding. If the Event of Default involves the payment of any amount due under this Agreement, such amount shall bear interest from the date due to the date paid at a rate equal to the lesser of (i) EIGHTEEN PERCENT (18%) per annum and (ii) the maximum rate of interest which may be collected from Borrower under applicable law, calculated in conformance with Section 2.3.

(d) Upon the occurrence and during the continuance of any condition that, after notice or lapse of time or both, would constitute an Event of Default, Lender shall have the right, as the true and lawful agent of Borrower, with power of substitution for Borrower and in either Borrower's name, Lender's name or otherwise, for the use and benefit of Lender: (i) to offset any amounts owed by Borrower to Lender, which are not paid when due, against any amounts due and owing by Lender to Borrower from any source whatsoever; (ii) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part of it; (iii) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any part of the Collateral; (iv) to commence and prosecute any and all suits, actions or proceedings at law or in equity or otherwise in any court of competent jurisdiction to collect on any of the Collateral or to enforce any rights in respect of any Collateral; (v) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating or pertaining to all or any portion of the Collateral; and (vi) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral and to do all other

acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though Lender were the absolute owner of the Collateral for all purposes;

(e) If, in the good faith business judgment of Lender, Borrower is not performing its obligations under this Agreement or, after Borrower's receipt of a written request by Lender to provide adequate assurances of performance, Borrower is likely to breach any of its obligations under any of the Loan Documents, Lender may, at the sole cost and expense of Borrower, take such steps as are necessary to remedy such failure to avoid such breach, however, Lender is not obligated to take any such steps.

(f) Borrower shall reimburse Lender promptly for all reasonable attorneys' fees, costs and expenses Lender incurs in exercising any and all of its remedies, including the costs and expenses incurred by Lender in inspecting Borrower's books and records, as per Section 9.3(a), plus interest on the amount of such costs and expenses from the date incurred by Lender to the date reimbursed by Borrower, calculated in accordance with Section 2.3, and Lender shall be entitled to offset such amounts against payment of any amounts owed to Borrower from any source whatsoever.

(g) Upon the occurrence of an Event of Default, Lender may institute a suit directly against Borrower without first foreclosing on or liquidating the Collateral.

(h) Upon the occurrence of an Event of Default, Lender, in its sole discretion, may increase the rate of interest accruing and payable on the Loan to a rate equal to the lesser of (i) EIGHTEEN PERCENT (18%) per annum and (ii) the maximum rate of interest which may be collected from Borrower under applicable law, calculated in conformance with Section 2.3, for as long as the Loan remains outstanding.

(i) In the event of a failure of the foregoing remedies, Lender may, after reasonable notice to Borrower, enter onto the Premises, take possession of the Collateral and contemporaneously stabilize the affected area of the roof to prevent leakage. Within seven (7) days thereafter, Lender will restore the roof in a workmanlike fashion to reflect the general condition of the roof unaffected by the removal of the Collateral. The costs incurred by Lender under this subparagraph (i) shall be recouped by Lender as set forth in Section 11.4, paragraph "First."

(j) Lender shall be entitled to recover its reasonable costs and expenses including reasonable attorneys' fees in any legal or equitable action resulting from an Event of Default hereunder.

11.3 Lender's Right to Dispose of Collateral. Consistent with applicable law, Borrower agrees that Lender shall have the right to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as Lender shall deem appropriate. Lender shall be authorized at any such sale, if it deems it advisable to do so, to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale of it, and upon consummation of any such sale Lender shall have the right to assign, transfer and deliver to the purchaser or purchasers the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of Borrower, and Borrower hereby waives to the fullest extent permitted by law, all rights of redemption, stay and appraisal which Borrower now has, or may have at any time in the future, under any rule of law or statute now existing or hereafter enacted.

11.4 Application of Proceeds. Lender shall apply any Collateral consisting of cash and Proceeds:

FIRST, to the payment of all costs and expenses incurred by Lender in connection with such collection or sale, or otherwise in connection with this Agreement or any other agreement in connection with the Loan, including all court costs and reasonable attorneys' fees, costs, disbursements and other charges of its agents and legal counsel, whether incurred in any action or proceeding either between the Parties or between Lender and any third party;

SECOND, to the payment in full of the accrued interest on the Loan;

THIRD, to the payment of the principal of the Loan; and

FOURTH, to Borrower and its successors or assigns, or as a court or agency of competent jurisdiction may otherwise direct.

Lender shall have absolute discretion as to the time of application of any such Proceeds, moneys or balances in accordance with this Agreement. Upon any sale of the Collateral by Lender, including pursuant to a power of sale granted by statute or under a judicial proceeding, the receipt of the consideration by Lender or of the officer making the sale shall be a sufficient discharge to the purchaser of the Collateral so sold and such purchaser shall not be obligated to see to the application of any part of the purchase money paid over to Lender or such officer or be answerable in any way for the misapplication thereof.

11.5 Lender Appointed Attorney-in-Fact. Upon Borrower's receipt of written notice of an Event of Default pursuant to Section 11.2, Lender is automatically appointed without any further action by Borrower to act as attorney-in-fact on behalf of Borrower for the purposes of carrying out the provisions of this Agreement and taking any action and executing any instrument or other writing which Lender may deem reasonably necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest.

12. Amendment and Waivers.

12.1 Amendments, Modifications and Supplements. This Agreement may be amended, modified or supplemented only by an instrument in writing executed by, and delivered on behalf of, each of the Parties.

12.2 Waivers. The representations, warranties, covenants and conditions set forth in this Agreement may be waived only by a written instrument executed by the Party so waiving. The failure of any Party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such Party at a later time to enforce the same. No waiver by any Party of any condition, or breach of any term, covenant, agreement, representation or warranty contained in this Agreement shall be deemed to be or construed as a waiver of any other condition or of the breach of any other term, covenant, agreement, representation or warranty contained in this Agreement.

13. Survival of Representations, Warranties and Covenants. All representations, warranties and covenants of the Parties contained in or made pursuant to this Agreement shall

survive until this Agreement expires or is sooner terminated or, in the case of any covenants, until such covenants have been performed fully.

14. Indemnification. Borrower indemnifies and holds harmless Lender and Lender's shareholders, subsidiaries, affiliates, officers, directors, successors and assigns, and the agents, representatives and employees of any and all of the foregoing, from and against any and all liability (including liability in tort, whether absolute or otherwise), obligations, losses, penalties, claims, suits, costs and disbursements including legal fees and disbursements, in any way relating to, or arising out of, the Loan Documents, the Project Documents and/or the Collateral; provided, however, that there shall be no indemnity for liability caused by Lender's gross negligence or willful misconduct. This provision shall survive the expiration or sooner termination of this Agreement.

15. Notices. Any and all notices or other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally by courier, or by overnight delivery by a nationally recognized overnight delivery service, or five (5) days after mailing if sent by registered or certified mail, postage prepaid, addressed as follows:

If to Lender: Public Service Electric and Gas Company
80 Park Plaza, T-8
Newark, NJ 07102
Attention: Solar Loan Program Administrator
with a copy to Lender's legal counsel at the same address.

If to Borrower: _____

Attention: _____

Any Party may change the address to which notices or other communications are to be sent to it by giving written notice of such change in the manner provided above for all notices.

16. Assignment.

16.1 This Agreement may not be assigned by any Party without the prior written consent of the other Party. The non-assigning Party shall be entitled to recover its reasonable costs and expenses including administration and attorneys' fees in connection with any such assignment. Notwithstanding the foregoing, however, Lender, without Borrower's consent, may: (a) assign its rights and delegate its obligations under this Agreement to one or more subsidiaries or affiliates of Lender; or (b) assign its rights to receive moneys and/or SRECs under this Agreement and under the Note to any unaffiliated third party for financing purposes only. In all regards, however, no such assignment or delegation by Lender shall relieve Lender of its obligations under this Agreement. Subject to the foregoing, this Agreement shall bind and inure to the benefit only of the Parties and their respective successors and permitted assigns.

16.2 If Borrower desires to sell or transfer its ownership or leasehold interest in the Collateral, Project or Premises to a third party (the "Proposed Transferee"), the Actual Loan Balance shall be paid in full at the closing of such transaction. Notwithstanding the foregoing, if the Proposed Transferee desires to assume the Loan, Borrower shall so notify Lender in writing at least ninety (90)

days prior to such transfer. Lender shall review the creditworthiness of the Proposed Transferee, the status of the Loan, the operating history of the Project and such other factors as Lender may deem reasonable and appropriate in determining whether to consent to the assignment of the Loan. Lender shall thereafter advise Borrower in writing (i) whether the Loan may be assigned to the Proposed Transferee and (ii) the terms and conditions of the assignment. If Lender does not affirmatively approve the assignment of the Loan to the Proposed Transferee or if the Proposed Transferee fails to satisfy the terms and conditions of any approved assignment by the closing of the transaction between Borrower and the Proposed Transferee, Borrower shall pay in full the Actual Loan Balance at such closing. Lender shall be entitled to recover its reasonable costs and expenses including administration and attorneys' fees in connection with such assignment.

17. Entire Agreement. This Agreement, together with the Note and the other documents and instruments referred to herein and/or therein, sets forth the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement, and supersedes all prior agreement, arrangements and understandings relating to the subject matter of this Agreement.

18. No Third Party Beneficiary. Nothing in this Agreement is intended or shall be construed to give any Person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, other than the Parties.

19. Recitals. The clauses set forth in the Recitals are herein incorporated by reference as though herein set forth at length.

20. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall be considered to constitute one instrument.

21. Section Headings. All section headings are inserted for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement and have no independent significance.

22. Interpretation. In this Agreement the singular includes the plural and the plural the singular; words importing any gender include the other genders; the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications, without prejudice to any provisions of this Agreement prohibiting such amendments and other modifications; and references to persons include their respective permitted successors and assigns.

23. Severability. The invalidity or unenforceability of any provision in this Agreement will not affect any other provision.

24. Applicable Law. **THIS AGREEMENT IS GOVERNED EXCLUSIVELY BY AND CONSTRUED IN STRICT ACCORDANCE WITH THE LAWS OF THE STATE OF NEW JERSEY APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN THE STATE OF NEW JERSEY WITHOUT REGARD TO NEW JERSEY'S CONFLICT OF LAWS PROVISIONS THAT MAY DEFEAT THE APPLICATION OF NEW JERSEY'S SUBSTANTIVE LAW TO THIS AGREEMENT, THE NOTE, THE OTHER LOAN DOCUMENTS AND THE UNDERLYING TRANSACTIONS.**

25. Miscellaneous. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of Lender's system or any portion thereof to Borrower or to the public, nor affect the status of Lender as an independent public utility corporation, or Borrower as an independent entity. Lender's review or acceptance of the Project and its operation shall not be construed as confirming or endorsing the design or as any warranty of safety, durability, reliability and/or performance. Lender shall not by reason of such review or failure to review be responsible for the strength, safety, details of design, adequacy, capacity, reliability and/or operation of the Project, nor shall Lender's extension of the Loan to Borrower be deemed to be an endorsement of the Project, in whole or in part.

26. Relationship of the Parties. For purposes of this Agreement, Lender and Borrower expressly agree that the relationship of Lender to Borrower is that of a lender only. The intent of this provision is to clarify and stipulate that Lender is not a partner, fiduciary and/or coventurer of Borrower and that Lender's sole interest in the Collateral is for the purpose of security for repayment of the obligations of Borrower to Lender and of Grantor to Secured Party under the Security Agreement.

27. Waiver of Jury Trial. Each Party hereto hereby waives, to the fullest extent permitted by law, any right it may have to a trial by jury in respect of any litigation or other action directly or indirectly arising out of, under or in connection with this Agreement.

(signatures appear on the following pages)

IN WITNESS WHEREOF, each Party has caused its duly authorized representative to sign and deliver this Agreement as of the date first above written.

BORROWER:

[Borrower]

By: _____

Name: _____

Title: _____

Subscribed and sworn to before me on this ____
day of _____, 201__.

Notary Public

(Lender's signature appears on the following page)

LENDER:

Public Service Electric and Gas Company

By: _____

Name: _____

Title: _____