

AlabamaSAVES™

Program Overview

(revised September 10, 2010)

The Alabama Department of Economic and Community Affairs (ADECA) is pleased to announce the State's energy revolving loan program (the Program). The Program, funded through the American Recovery and Reinvestment Act (ARRA) State Energy Program (SEP), will provide financing solutions for commercial and industrial energy efficiency and renewable energy projects in Alabama and will be administered by Abundant Power Solutions, LLC (Abundant Power). This Program Overview outlines the key terms of the Program.

Loan Terms

ADECA is capitalizing the Program with \$25 million of SEP funds and intends to attract private capital through various credit enhancement mechanisms so that a targeted total of \$60 million is available to lend. \$12.5 million will be contributed to the initial loan pool as the initial amount available to lend (the "Principal Loan Pool") and \$12.5 million will be set aside for these credit enhancement mechanisms with a goal of attracting approximately \$48 million of additional private capital (the "Leveraged Loan Pool"). The resulting approximately \$60 million loan fund will be available to eligible borrowers throughout the State on the following terms:

Minimum loan size:	\$250,000.
Maximum loan size:	\$4,000,000.
Interest rate:	2%, fixed, per annum. The rate will be reevaluated annually.
Loan term:	The blended useful life of the improvements up to a maximum of 10 years.
Loan security:	Security for each loan will include, on a case-by-case basis, (i) any payment obligations of the borrower, (ii) the collateral value of the improvements, (iii) any additional security interest and/or pledge provided by the borrower, including without limitation cash collateral and/or parent guarantees, and (iv) the Loan Loss Reserve (defined elsewhere).
Principal Loan Pool:	The \$12.5 million committed by ADECA to the initial loan pool.
Leveraged Loan Pool:	The approximately \$48 million committed by the private capital providers based on their participation in the benefits of the \$12.5 million of credit enhancements.
Use of proceeds:	The Program will fund up to 90% of the cost of eligible projects/improvements with the balance of the funding coming from tax credits, grants, borrower contributions and/or debt/equity financing. [NOTE: 100% FUNDING WITH 10% GOING TO A SUPPLEMENTAL LLR BEING DISCUSSED.]
Program Lenders:	The capital providers agree to lend up to the amount of the Leveraged Loan Pool in accordance with the terms of the Loan

Program Administrator:	Loss Reserve Agreement (defined elsewhere) and related agreements. Abundant Power.
Collateral Agent:	Determined by lead bank of the Program Lenders.
Loan Servicer:	Abundant Power for loans from the Principal Loan Pool. Each Program Lender for loans from the Leveraged Loan Pool.
Closing costs:	2% loan origination fee and reasonable and customary costs among the Program Administrator and the Program Lenders.

Program Launch

The Program will launch its information website on or about October 15, 2010, and will begin receiving and processing loan applications in December of 2010.

Eligible Businesses

The Program will be available to all companies (i) with a place of business in the State of Alabama that are duly organized and/or qualified to do business in the State and (ii) that own and/or operate one or more existing commercial or industrial facilities in the State (an Eligible Business).

Eligible Projects/Improvements

Allowable expenditures for loan funds will include equipment and equipment installation labor costs for renewable energy systems and energy-efficient fixtures and retrofits installed on property owned by a Eligible Business. Eligible renewable energy systems may employ solar, biomass, biofuels, geothermal, micro-hydroelectric, methane capture and use and/or fuel cell technologies. Eligible energy efficient fixtures and retrofits may include mechanical systems and components including HVAC and hot water, electrical systems and components including lighting and energy management systems, doors and windows, insulation, refrigeration and combined heat and power. The potential borrower will be responsible for NEPA and any other regulatory review and approval required for the project. Funding from the Program is for retrofits of existing properties and not for new construction of buildings and factories.

Eligible Contractors/Vendors

Contractors, energy service providers, consultants, engineers and auditors serve as the “engine” of the AlabamaSAVES[™] Program. In order to participate in projects to be funded by the Program, service providers must document proof of proper qualifications and licenses, participate in a Program orientation, and submit to ongoing reporting and quality assurance standards. The Program may charge a fee to cover the costs of review of the qualifications and performance of each service provider. Those service providers that meet the eligible requirements and have been approved by the Program

Administrator will be available to perform services under the Program and will be highlighted on the Program website (Eligible Vendors). Please note that Eligible Vendors will be required to comply with any applicable Davis-Bacon Act requirements.

Results of each project funded in whole or in part by the Program will be measured to encourage successful outcomes and provide full circle feedback. In order to ensure the greatest benefit to project hosts while protecting the integrity of Program funds, project performance for each Eligible Vendor will be made available on the Program website.

Application Process

Eligible businesses may submit applications online at www.alabamasaves.com once the site is launched in December. Applications may also be submitted directly to Abundant Power. An application fee of \$[1,000] will be required upon submission.

All applications will be reviewed by the Program's Loan Review Committee, which will be comprised of representatives from ADECA, Abundant Power and other parties ADECA appoints. The Loan Review Committee will review each loan based on credit quality, predicted economic impact and energy performance and ability to perform appropriate measurement and verification of the project's performance over the term of the loan, as developed and revised from time to time by Abundant Power (the "Program Criteria"). Loan applications that meet the requirements of the Program Criteria will be submitted to the Program Lenders for credit approval, provided that a Program Lender that has a prior lending relationship with a potential borrower will have priority in reviewing the application.

The Program Lenders will commit within 30 days to either fund the loan and present the borrower with the terms upon which they would issue such loan. The borrower shall then negotiate directly with the Program Lenders to select the mutually agreeable Program Lender. If the Program Lenders reject the loan application, the Loan Review Committee will review the loan application to determine whether the loan will be issued out of the Principal Loan Pool.