

**Appendix B
Sample Loan Agreement**

LOAN # _____

**STATE ENERGY CONSERVATION OFFICE
LOAN AGREEMENT**

1. Parties; Effective Date

This Loan Agreement (hereinafter, "Agreement") is entered into by and between the Texas Comptroller of Public Accounts, through its State Energy Conservation Office ("Lender"), and _____ ("Borrower"). The Effective Date of this Agreement shall be the date this Agreement is signed by Lender, after having first been signed by the Borrower.

2. Loan of Funds

The Borrower hereby requests Lender and Lender hereby agrees, on the terms and conditions set forth in this Agreement, to establish a loan for the benefit of Borrower in an amount not to exceed _____ (\$ _____) (hereinafter, "Loan"). Borrower shall expend all funds received from Lender pursuant to this Agreement only for the purpose of completion of the project (hereinafter, "Project") described in the Loan Approval Statement attached hereto as Attachment A, and Borrower's Loan Application. The date the Project is completed will be referred to as the "Project Completion Date." The Project must be completed and all loan funds expended before August 31, 2016. As set forth in Section 13, Lender will not approve any extensions of the Project Completion Date beyond August 31, 2016.

3. Authority

This Loan is authorized pursuant to: (1) the LoanSTAR Revolving Loan Program of the Texas State Energy Plan ("SEP") in accordance with the Energy Policy and Conservation Act (42 U.S.C. 6321, et seq.) as amended by the Energy Conservation and Production Act (42 U.S.C. 6326, et seq.); (2) the Oil Overcharge Restitutionary Act, Chapter 2305, Texas Government Code § 2305.0322; and (3) Title 1, Texas Administrative Code, Chapter 5.401, Loan Program for Energy Retrofits.

4. Term and Termination

The term of this Agreement shall begin on the Effective Date and shall terminate upon repayment, in full, of the Loan. The provisions of Sections 8, 9, 11, 12, 17, 19, 25, 26, 31, 33, 34 and 35; and Attachments B-1, B-2, and J shall survive the termination or expiration of this Agreement.

5. Payments

Borrower shall repay the Loan, in full, in accordance with the promissory note issued by Borrower (the "Note") and the terms specified in the Loan Payment Schedule at Lender's principal place of business in Austin, Texas, or at such other place as Lender may designate, the principal sum of _____ DOLLARS (\$ _____) or such lesser amount as shall equal the aggregate amount disbursed to Borrower by Lender under the terms of this Agreement **together with interest on the unpaid principal amount computed from the date of each disbursement to Borrower until repaid in full** at the rate of one quarter of one percent (0.25%) per annum.

6. Disbursements

The Loan shall be disbursed in installments, no more frequently than monthly, following Lender's receipt of Borrower's requests for disbursement to pay the costs of goods purchased and services performed. Each request for