As filed with the Securities and Exchange Commission on May 28, 2010

Registration No. 333-165821

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 3
to

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMERESCO, INC.

(Exact name of registrant as specified in its charter)

Delaware	**4931**	**04-3512838**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

111 Speen Street, Suite 410
Framingham, Massachusetts 01701
(508) 661-2200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

George P. Sakellaris
President and Chief Executive Officer
111 Speen Street, Suite 410
Framingham, Massachusetts 01701
(508) 661-2200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Mark G. Borden, Esq. **Patrick J. Rondeau, Esq.** **Wilmer Cutler Pickering Hale and Dorr LLP** **60 State Street** **Boston, Massachusetts 02109** **(617) 526-6000**	**Thomas R. Burton, III, Esq.** **Sahir Surmeli, Esq.** **Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.** **One Financial Center** **Boston, Massachusetts 02111** **(617) 542-6000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act") please check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

Subject to Completion
Preliminary Prospectus dated May 28, 2010

PROSPECTUS

Shares

AMERESCO

Class A Common Stock

This is Ameresco's initial public offering. We are selling shares of our Class A common stock and the selling stockholders are selling shares of our Class A common stock. We will not receive any proceeds from the sale of shares to be offered by the selling stockholders.

Following this offering, we will have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of our Class A common stock and our Class B common stock will be identical, except with respect to voting and conversion. Each share of our Class A common stock will be entitled to one vote per share and will not convert into any other shares of our capital stock. Each share of our Class B common stock will be entitled to five votes per share and will convert into one share of our Class A common stock upon the occurrence of specified events.

We expect the public offering price to be between $ and $ per share. Currently, no public market exists for the shares of our Class A common stock. After pricing of the offering, we expect that the shares of our Class A common stock will trade on the New York Stock Exchange under the symbol "AMRC."

Investing in our Class A common stock involves risks that are described in the "Risk Factors" section beginning on page 11 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to the selling stockholders	$	$

The underwriters may also purchase up to an additional shares of our Class A common stock from us, and up to an additional shares of our Class A common stock from us and certain selling stockholders, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of our Class A common stock will be ready for delivery on or about , 2010.

BofA Merrill Lynch

RBC Capital Markets

Oppenheimer & Co. **Canaccord Genuity**
Cantor Fitzgerald & Co. **Stephens Inc.**

The date of this prospectus is , 2010.

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You should rely only on the information contained in this prospectus and any free writing prospectus we may specifically authorize to be delivered or made available to you. We have not, and the selling stockholders and the underwriters have not, authorized anyone to provide you with additional or different information. The information contained in this prospectus or any free writing prospectus is accurate only as of its date, regardless of its time of delivery or of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus is an offer to sell only the shares offered hereby but only under circumstances and in jurisdictions where it is lawful to do so.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read this summary together with the more detailed information appearing in this prospectus, including our consolidated financial statements and related notes, and the risk factors beginning on page 11, before deciding whether to purchase shares of our Class A common stock. Unless the context otherwise requires, we use the terms "Ameresco," "our company," "we," "us" and "our" in this prospectus to refer to Ameresco, Inc. and its subsidiaries.

Overview

Ameresco is a leading provider of energy efficiency solutions for facilities throughout North America. Our solutions enable customers to reduce their energy consumption, lower their operating and maintenance costs and realize environmental benefits. Our comprehensive set of services addresses almost all aspects of purchasing and using energy within a facility. Our services include upgrades to a facility's energy infrastructure and the construction and operation of small-scale renewable energy plants. As one of the few large, independent energy efficiency service providers, we are able to objectively select and provide the products and technologies best suited for a customer's needs. Having grown from four offices in three states in 2001 to 54 offices in 29 states and four Canadian provinces in 2010, we now combine a North American footprint with strong local operations. Since our inception in 2000, we have served more than 2,000 customers, which include primarily governmental, educational, utility, healthcare and other institutional, commercial and industrial entities.

Our principal service is the development, design, engineering and installation of projects that reduce the energy and operations and maintenance, or O&M, costs of our customers' facilities. These projects typically include a variety of measures customized for the facility and designed to improve the efficiency of major building systems, such as heating, ventilation, air conditioning and lighting systems. We typically enter into energy savings performance contracts, or ESPCs, under which we commit to our customers that our energy efficiency projects will satisfy agreed-upon performance standards upon installation or achieve specified increases in energy efficiency. In most cases, the forecasted lifetime energy and operating cost savings of the energy efficiency measures we install will defray all or almost all of the cost of such measures. In many cases, we assist customers in obtaining third-party financing for the cost of constructing the facility improvements, resulting in little or no upfront capital expenditure by the customer. After a project is complete, we may operate, maintain and repair the customer's energy systems under a multi-year O&M contract, which provides us with recurring revenue and visibility into the customer's evolving needs.

We also serve certain customers by developing and building small-scale renewable energy plants located at or close to a customer's site. Depending on the customer's preference, we will either retain ownership of the completed plant or build it for the customer. Most of our plants have to date been constructed adjacent to landfills and use landfill gas, or LFG, to generate energy. Our largest renewable energy plant is currently under construction and will use biomass as the source of energy. In the case of the plants that we own, the electricity, thermal energy or processed LFG generated by the plant is sold under a long-term supply contract with the customer, which is typically a utility, municipality, industrial facility or other large purchaser of energy. We also sell and install photovoltaic, or PV, panels and integrated PV systems that convert solar energy to power. By enabling our customers to procure renewable sources of energy, we help them reduce or stabilize their energy costs, as well as realize environmental benefits.

Our revenue has increased from $20.9 million in 2001, our first full year of operations, to $428.5 million in 2009. We achieved profitability in 2002 and have been profitable every year since then.

Industry Overview

The market for energy efficiency services has grown significantly, driven largely by rising and volatile energy prices, advances in energy efficiency and renewable energy technologies, governmental support for energy efficiency and renewable energy programs and growing customer awareness of energy and environmental issues. End-users, utilities and governmental agencies are increasingly viewing energy efficiency measures as a cost-effective solution for saving energy, renewing aging facility infrastructure and reducing harmful emissions.

According to a 2008 Frost & Sullivan report, activity by energy services companies in the North American market for energy management services, including energy efficiency, demand response and other services, grew at a compound annual growth rate, or CAGR, of 22% from 2004 through 2008, with the estimated size of the market reaching more than $5 billion in 2008.

Large purchasers of energy and utilities are also increasingly seeking to use renewable sources of energy, such as LFG, wind, biomass, geothermal and solar, to reduce or stabilize their energy costs, meet regulatory mandates for use of renewable energy, diversify their fuel sources and realize environmental benefits, such as the reduction of greenhouse gas emissions.

We believe the following trends and developments are driving the growth of our industry:

- *Rising and Volatile Energy Prices.* Over the past decade, energy-linked commodity prices, including oil, gas, coal and electricity, have all increased and exhibited significant volatility. From 1999 to 2009, average U.S. retail electricity prices have increased by more than 50%.
- *Potential of Energy Efficiency Measures to Significantly Reduce Energy Consumption*. The implementation of energy efficiency measures can significantly reduce the rate at which energy consumption is expected to increase. According to a July 2009 report by McKinsey & Company, economically viable and commercially available energy efficiency measures, if fully implemented, have the potential to save more than one trillion kWh of electricity, or 23% of overall U.S. demand, by 2020.
- *Aging and Inefficient Facility Infrastructure.* Many organizations continue to operate with an energy infrastructure that is significantly less efficient and cost-effective than now available through more advanced technologies applied to lighting, heating, cooling and other building systems. As these organizations explore alternatives for renewing their aging facilities, they often identify multiple areas within their facilities that could benefit from the implementation of energy efficiency measures, including the possible use of renewable sources of energy.
- *Increased Focus on Cost Reduction.* The current economic environment has led many organizations to search for opportunities to reduce their operating costs. There has been a growing awareness that reduced energy consumption presents an opportunity for significant long-term savings in operating costs and that the installation of energy efficiency measures can be a cost-effective way to achieve such reductions.
- *Movement Toward Industry Consolidation.* As energy efficiency solutions continue to increase in technological complexity and customers look for service providers that can offer broad geographic and product coverage, we believe smaller niche energy efficiency companies will continue to look for opportunities to combine with larger companies that can better serve their customers' needs. Increased market presence and size of energy efficiency companies should, in turn, create greater customer awareness of the benefits of energy efficiency measures.
- *Increasing Legislative Support and Initiatives.* In the United States and Canada, federal, state, provincial, and local governments have enacted and are considering legislation and regulations aimed at increasing energy efficiency, reducing greenhouse gas emissions and encouraging the expansion of renewable energy generation.
- *Increased Use of Third-Party Financing.* Many organizations desire to use their existing sources of capital for core investments or do not have the internal capacity to finance improvements to their energy infrastructure. These organizations often require innovative structures to facilitate the financing of energy efficiency and renewable energy projects. Customers seeking to upgrade or renew their energy systems are increasingly seeking to enter into ESPCs or other creative arrangements that facilitate third-party financing for their projects.

Our Competitive Strengths

We believe our competitive strengths include the following:

- *One-Stop, Comprehensive Service Provider.* We offer our customers expertise in addressing almost all aspects of purchasing and using energy within a facility. Our experienced project development and engineering staff provide us with the capability and flexibility to determine the combination of energy efficiency measures that is best suited to achieve the customer's energy efficiency and environmental goals.
- *Independence.* We are an independent company with no affiliation to any equipment manufacturer, utility or fuel company. Unlike affiliated service companies, we have the freedom and flexibility to be objective in selecting particular products and technologies available from different manufacturers in order to optimize our solutions for customers' particular needs.
- *Strong Customer Relationships.* We have served over 2,000 customers since our inception, including over 1,000 customers in 2009. Our design, engineering and support activities, which typically span multiple years, foster a close relationship with our customers, which positions us to identify their future needs and provide additional services to them.
- *Creative Solutions.* Our engineering staff has expertise in a broad range of technologies and energy savings strategies encompassing different types of electrical, heating, cooling, lighting, water, renewable energy and other facility infrastructure systems. We apply this expertise to design and engineer innovative solutions customized to meet the specific needs of each customer.
- *Strong National and Local Presence.* We have a nationwide presence in both the United States and Canada and serve certain of our customers in European locations. We maintain a centralized staff of engineering, financial and legal personnel at our headquarters in Massachusetts, who provide support to our seven regional offices and 46 other field offices located throughout the United States and Canada. We believe that our organizational structure enables us to be fast, flexible and cost-effective in responding to our customers' needs.
- *Experienced Management and Operations Team.* Our executive officers have an aggregate of over 150 years of experience in the energy efficiency field. As of March 31, 2010, we employed over 200 engineers, whose experience with respect to fuels, rates, technologies and geography-specific regulation and economic benefits enables us to propose and design energy efficiency solutions that take into account the economic, technological, environmental and regulatory considerations that we believe underlie the cost efficiencies and operational success of a project.
- *Federal and State Qualifications.* The federal governmental program under which federal agencies and departments can enter into ESPCs requires that energy service providers have a track record in the industry and meet other specified qualifications. Over 20 states require similar qualifications. In 2008, we renewed our qualification to enter into an indefinite delivery, indefinite quantity, or IDIQ, contract under the U.S. Department of Energy program for ESPCs. This IDIQ contract has an aggregate maximum potential ordering amount of $5 billion and expires in 2019. We are currently qualified to enter into ESPCs in most states that require qualification. The scope of our qualifications provides us with the opportunity to continue to grow our business with federal, state and other governmental customers and differentiates us from energy efficiency companies that have not been similarly qualified.
- *Integration of Strategic Acquisitions.* We have a track record of completing over ten acquisitions that have enabled us to broaden our offerings, expand our geographical reach and accelerate our growth. We believe that our ability to offer a comprehensive set of energy efficiency services across North America has been, and will continue to be, enhanced by our expertise in identifying and completing acquisitions that expand our service offerings, as well as by our ability to integrate and leverage the skilled engineering, sales and operational personnel that come to us through these acquisitions.

Strategy

Our goal is to capitalize on our strong customer base and broad range of service offerings to become the leading provider of comprehensive energy efficiency and renewable energy solutions.

Key elements of our strategy include the following:

- *Pursue Organic Growth.* We plan to open additional local offices in the regions we currently serve, as well as hire additional sales personnel. We also plan to expand geographically by opening new local offices in regions we do not currently serve in the United States and Canada, as well as in Europe.
- *Continue to Maintain Customer Focus.* We will continue to maintain an entrepreneurial approach toward our customers and remain flexible in designing projects tailored specifically to meet their needs.
- *Expand Scope of Product and Service Offerings.* We plan to continue to expand our offerings by including new types of energy efficiency services, products and improvements to existing products based on technological advances in energy savings strategies, equipment and materials.
- *Meet Market Demand for Cost-Effective, Environmentally-Friendly Solutions*. Through our energy efficiency measures and small-scale renewable energy plants and products, we enable customers to conserve energy and reduce emissions of carbon dioxide and other pollutants. We plan to continue to focus on providing sustainable energy solutions that will address the growing demand for products and services that create environmental benefits for customers.
- *Increase Recurring Revenue.* For many of our energy efficiency projects, we enter into multi-year O&M contracts, and we plan to continue to grow both the number and scope of such contracts. We also obtain recurring revenue from sales of electricity, thermal energy and gas generated by the small-scale renewable energy and central plants that we construct and own, and we plan to continue to seek opportunities to construct such plants.
- *Grow Through Select Strategic Acquisitions.* We plan to continue to pursue complementary acquisitions that will enable us to both expand geographically in North America and abroad, and broaden our product and service offerings.

Risks Associated with Our Business

Our business is subject to numerous risks, as more fully described in the section entitled “Risk Factors” immediately following this prospectus summary.

Our Dual Class Capital Structure

Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. The rights of the holders of our Class A common stock and our Class B common stock will be identical, except with respect to voting and conversion. Each share of our Class A common stock will be entitled to one vote per share and will not be convertible into any other shares of our capital stock. Each share of our Class B common stock will be entitled to five votes per share, will be convertible at any time into one share of our Class A common stock at the option of the holder of such share and will also automatically convert into one share of our Class A common stock upon the occurrence of certain specified events, including a transfer of such shares (other than to such holder’s family members, descendants or certain affiliated persons or entities). All selling stockholders in this offering will be selling shares of our Class A common stock. See “Description of Capital Stock — Common Stock.”

Corporate Information

We were incorporated in Delaware in April 2000. Our principal executive offices are located at 111 Speen Street, Suite 410, Framingham, Massachusetts 01701 and our telephone number is (508) 661-2200. Our website address is www.ameresco.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our Class A common stock.

"Ameresco," the Ameresco logo, "Green • Clean • Sustainable," "AXIS" and other trademarks or service marks of Ameresco appearing in this prospectus are the property of Ameresco. This prospectus contains additional trade names, trademarks and service marks of other companies, which are the property of their respective owners.

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The Offering

Class A Common stock offered by:	
Ameresco	_____ Shares
Selling stockholders	_____ Shares
Total	_____ Shares
Common stock to be outstanding after this offering:	
Class A	_____ Shares
Class B	_____ Shares
Total	_____ Shares
Use of proceeds	We intend to use our net proceeds from this offering (i) to repay the balance outstanding under our \$50 million revolving senior secured credit facility, under which \$24.9 million in principal was outstanding as of March 31, 2010, (ii) to repay in full the \$3.0 million subordinated note held by our president and chief executive officer and (iii) for working capital and other general corporate purposes, which may include opening additional offices in the United States and abroad, expanding sales and marketing activities, and funding the development and construction of our small-scale renewable energy projects and other capital expenditures. We may also use a portion of our net proceeds for acquisitions of complementary companies, assets or technologies. We will not receive any proceeds from the shares sold by the selling stockholders. See "Use of Proceeds" for more information.
Risk Factors	You should read the "Risk Factors" section and other information included in this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our Class A common stock.
Proposed symbol	"AMRC"

The number of shares of our Class A common stock and our Class B Common Stock to be outstanding after this offering is based on 14,992,284 shares of our Class A common stock and 18,000,000 shares of our Class B common stock outstanding as of April 30, 2010, and excludes:

- 405,286 shares of our Class A common stock issuable upon the exercise of a warrant that was outstanding and exercisable as of April 30, 2010 (including shares of our Class A common stock that we expect to be sold in this offering by a selling stockholder upon the partial exercise of this warrant) at an exercise price of \$0.005 per share, which will remain outstanding after this offering if not exercised prior to this offering;
- 9,789,200 shares of our Class A common stock issuable upon the exercise of stock options outstanding as of April 30, 2010 (including an aggregate of shares of our Class A common stock that we expect to be sold in this offering by selling stockholders upon the exercise of vested options) at a weighted-average exercise price of \$3.78 per share; and

- 10,000,000 shares of our Class A common stock that will be available for future issuance under our 2010 stock incentive plan, or our 2010 stock plan, which will become effective upon the closing of this offering.

Conflicts of Interest

Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, an underwriter in this offering, is acting as the agent and a lender under our revolving line of credit. We intend to use a portion of the net proceeds from this offering to repay the balance outstanding under our $50 million revolving senior secured credit facility, of which $24.9 million in aggregate principal amount was outstanding as of March 31, 2010. See "Use of Proceeds" and "Underwriting."

Except as otherwise noted, all information in this prospectus:

- *gives effect to the amendment and restatement of our certificate of incorporation and amendment and restatement of our by-laws to be effected prior to the closing of this offering;*
- *gives effect to a two-for-one split of our common stock to be effected prior to the closing of this offering;*
- *gives effect to the reclassification of all outstanding shares of our common stock as Class A common stock to be effected prior to the closing of this offering;*
- *gives effect to the conversion of each outstanding option to purchase shares of our common stock into an option to purchase shares of our Class A common stock;*
- *gives effect to the conversion of an outstanding warrant to purchase shares of our common stock into a warrant to purchase shares of our Class A common stock;*
- *gives effect to the conversion of all shares of our convertible preferred stock, other than those held by George P. Sakellaris, our founder, principal stockholder, president and chief executive officer, into shares of our Class A common stock prior to the closing of this offering;*
- *gives effect to the automatic conversion of all outstanding shares of our convertible preferred stock, which will then be held solely by Mr. Sakellaris, into shares of our Class B common stock upon the closing of this offering; and*
- *assumes no exercise by the underwriters of their over-allotment option.*

Summary Consolidated Financial Data

The following tables summarize the consolidated financial data for our business for the periods presented. We derived the consolidated statement of income data for the fiscal years ended December 31, 2007, 2008 and 2009 and the consolidated balance sheet data as of December 31, 2009 from our audited financial statements that are included elsewhere in this prospectus. We derived the consolidated statement of income data for the three months ended March 31, 2009 and 2010 and the consolidated balance sheet data as of March 31, 2009 and March 31, 2010 from our unaudited condensed consolidated financial statements that are included elsewhere in this prospectus. Our unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and notes thereto and, in the opinion of our management, reflect all adjustments that are necessary for a fair presentation in conformity with U.S. generally accepted accounting principles, or GAAP. Our historical results for prior periods are not necessarily indicative of results to be expected for any future period. You should read this summary consolidated financial data together with our consolidated and condensed and consolidated financial statements and related notes included elsewhere in this prospectus and the information under "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
				(Unaudited)	
	(In thousands, except share and per share data)				
Consolidated Statement of Income Data:					
Revenue:					
Energy efficiency revenue	$ 345,936	$ 325,032	$ 340,636	$ 57,228	$ 74,888
Renewable energy revenue	32,541	70,822	87,881	16,159	30,741
	378,477	395,854	428,517	73,387	105,629
Direct expenses:					
Energy efficiency expenses	285,966	259,019	282,345	46,770	62,524
Renewable energy expenses	26,072	59,551	66,472	12,924	24,705
	312,038	318,570	348,817	59,694	87,230
Gross profit	66,439	77,284	79,700	13,693	18,399
Operating expenses	47,042	52,608	54,406	13,025	15,836
Operating income	19,397	24,676	25,294	667	2,563
Other (expense) income, net	(3,138)	(5,188)	1,563	(24)	(856)
Income before provision for income taxes	16,259	19,488	26,857	643	1,707
Income tax provision	(5,714)	(1,215)	(6,950)	(225)	(429)
Net income	$ 10,545	$ 18,273	$ 19,907	$ 418	$ 1,278
Net income per share attributable to common shareholders					
Basic	$ 0.95	$ 1.71	$ 1.99	$ 0.04	$ 0.10
Diluted	$ 0.28	$ 0.54	$ 0.61	$ 0.01	$ 0.03
Weighted-average number of common shares outstanding					
Basic	11,121,022	10,678,110	9,991,912	9,621,351	13,282,284
Diluted	37,552,953	33,990,547	32,705,617	32,957,183	36,587,847
Pro forma net income per share(1)					
Basic			$ 0.68	$ 0.01	$ 0.04
Pro forma weighted-average number of Class A and Class B common shares used in computing pro forma net income per share(1)			29,251,912	28,881,351	32,542,284
Other Operating Data:					
Adjusted EBITDA(2)	$ 27,975	$ 29,045	$ 35,097	$ 2,391	$ 5,145

The pro forma consolidated balance sheet data give effect to (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock. The pro forma as adjusted consolidated balance sheet data also give effect to the sale of shares of our Class A common stock offered by us at an assumed initial public offering price of $ per share, the midpoint of the estimated price range shown on the cover page of this prospectus and after deducting the estimated underwriting discount and estimated offering expenses payable by us.

	As of March 31, 2010		
	Actual	Pro Forma	Pro Forma As Adjusted
		(Unaudited) (In thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 24,361	$ 24,361	$
Current assets	152,315	152,315	
Total assets	382,198	382,198	
Current liabilities	110,227	110,227	
Long-term debt, less current portion	128,374	128,374	
Subordinated debt	2,999	2,999	
Total stockholders' equity	105,160	105,160	

(1) Pro forma net income per share and pro forma weighted-average shares outstanding give effect to (i) a two-for-one split of our common stock (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock.

(2) We define adjusted EBITDA as operating income before depreciation and amortization expense, share-based compensation expense and a non-recurring non-cash recovery of a contingency in 2008. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or any other measure of financial performance calculated and presented in accordance with GAAP.

We believe adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons:

- adjusted EBITDA and similar non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, capital structures and the methods by which assets were acquired;
- securities analysts often use adjusted EBITDA and similar non-GAAP measures as supplemental measures to evaluate the overall operating performance of companies; and
- by comparing our adjusted EBITDA in different historical periods, our investors can evaluate our operating results without the additional variations of depreciation and amortization expense, share-based compensation expense and the non-recurring non-cash recovery of a contingency in 2008.

Our management uses adjusted EBITDA:

- as a measure of operating performance, because it does not include the impact of items that we do not consider indicative of our core operating performance;
- for planning purposes, including the preparation of our annual operating budget;
- to allocate resources to enhance the financial performance of our business;

- to evaluate the effectiveness of our business strategies; and
- in communications with our board of directors and investors concerning our financial performance.

We understand that, although measures similar to adjusted EBITDA are frequently used by investors and securities analysts in their evaluation of companies, adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for GAAP operating income or an analysis of our results of operations as reported under GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or other contractual commitments;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect stock-based compensation expense;
- adjusted EBITDA does not reflect cash requirements for income taxes;
- adjusted EBITDA does not reflect net interest income (expense);
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for these replacements; and
- other companies in our industry may calculate adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

To properly and prudently evaluate our business, we encourage you to review the GAAP financial statements included elsewhere in this prospectus, and not to rely on any single financial measure to evaluate our business.

The following table presents a reconciliation of adjusted EBITDA to operating income, the most comparable GAAP measure:

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
				(Unaudited)	
		(In thousands)			
Operating income	$ 19,397	$ 24,676	$ 25,294	667	2,563
Depreciation and impairment	5,898	7,278	6,634	1,107	2,143
Stock-based compensation	2,679	2,941	3,169	617	439
Recovery of contingency	—	(5,850)	—	—	—
Adjusted EBITDA	$ 27,975	$ 29,045	$ 35,097	2,391	5,145

RISK FACTORS

An investment in our Class A common stock involves a high degree of risk. In deciding whether to invest, you should carefully consider the following risk factors. Any of the following risks could have a material adverse effect on our business, financial condition and operating results and cause the value of our Class A common stock to decline, which could cause you to lose all or part of your investment. When determining whether to invest in our Class A common stock, you should also refer to the other information in this prospectus, including the consolidated financial statements and related notes.

If demand for our energy efficiency and renewable energy solutions does not develop as we expect, our revenue will suffer and our business will be harmed.

Our revenue has increased significantly since January 1, 2005. We believe, and our growth expectations assume, that the market for energy efficiency and renewable energy solutions will continue to grow, that we will increase our penetration of this market and that our revenue from selling into this market will continue to increase. If our expectations as to the size of this market and our ability to sell our products and services in this market are not correct, our revenue will suffer and our business will be harmed.

The projects we undertake for our customers generally require significant capital, which our customers or we may finance through third parties, and such financing may not be available to our customers or to us on favorable terms, if at all.

Our projects are typically financed by third parties. The cost of these projects to our customers can reach up to $200 million. For our energy efficiency projects, we often assist our customers in arranging third-party financing. For small-scale renewable energy plants that we own, we typically rely on a combination of our working capital and debt to finance construction costs. The significant disruptions in the credit and capital markets in the last several years have made it more difficult for our customers and us to obtain financing on acceptable terms or, in some cases, at all. If we or our customers are unable to raise funds on acceptable terms when needed, we may be unable to secure customer contracts, the size of contracts we do obtain may be smaller or we could be required to delay the development and construction of projects, reduce the scope of those projects or otherwise restrict our operations.

In 2008, we entered into a $50 million revolving senior secured credit facility that matures in June 2011. Availability under the facility is based on two times our EBITDA for the preceding four quarters, and we are required to maintain a minimum EBITDA of $20 million on a rolling four-quarter basis and a minimum level of tangible net worth. This facility may not be sufficient to meet our needs as our business grows, and we may be unable to extend or replace it on acceptable terms, or at all.

Any inability by us or our customers to raise the funds necessary to finance our projects, or any inability by us to extend or replace our revolving credit facility, could materially harm our business, financial condition and operating results.

Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter.

Our operating results are difficult to predict and have historically fluctuated from quarter to quarter due to a variety of factors, many of which are outside of our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. If our revenue or operating results fall below the expectations of investors or any securities analysts that follow our company in any period, the trading price of our Class A common stock would likely decline.

Factors that may cause our operating results to fluctuate include:

- our ability to arrange financing for projects;
- changes in federal, state and local government policies and programs related to, or a reduction in governmental support for, energy efficiency and renewable energy;
- the timing of work we do on projects where we recognize revenue on a percentage of completion basis;
- seasonality in construction and in demand for our products and services;
- a customer's decision to delay our work on, or other risks involved with, a particular project;
- availability and costs of labor and equipment;
- the addition of new customers or the loss of existing customers;
- the size and scale of new customer projects;
- the availability of bonding for our projects;
- our ability to control costs, including operating expenses;
- changes in the mix of our products and services;
- the rates at which customers renew their O&M contracts with us;
- the length of our sales cycle;
- the productivity and growth of our sales force;
- the timing of opening of new offices or making other significant investments in the growth of our business, as the revenue we hope to generate from those expenses often lags several quarters behind those expenses;
- changes in pricing by us or our competitors, or the need to provide discounts to win business;
- costs related to the acquisition and integration of companies or assets;
- general economic trends, including changes in energy efficiency spending or geopolitical events such as war or incidents of terrorism; and
- future accounting pronouncements and changes in accounting policies.

Our operating expenses do not always vary directly with revenue and may be difficult to adjust in the short term. As a result, if revenue for a particular quarter is below our expectations, we may not be able to proportionately reduce operating expenses for that quarter, and therefore such a revenue shortfall could have a disproportionate effect on our operating results for that quarter.

We may not be able to maintain or increase our profitability.

We have been profitable on an annual basis since the year ended December 31, 2002. However, we have incurred net losses in certain quarters since that time. We may not succeed in maintaining our profitability and could incur quarterly or annual losses in future periods. We intend to increase our expenses as we grow our business and expand into new geographic locations, and we expect to incur additional accounting, legal and other expenses associated with being a public company. If our revenue does not increase sufficiently to offset these increases in costs, our operating results will be harmed. Our historical operating results should not be considered as necessarily indicative of future operating results and we can provide no assurance that we will be able to maintain or increase our profitability in the future.

We may not recognize all revenue from our backlog or receive all payments anticipated under awarded projects and customer contracts.

As of December 31, 2009, we had backlog of approximately $590 million in future revenue under signed customer contracts for the installation or construction of projects, which we expect to be recognized over the period from 2010 to 2013, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $700 million over the same period. As of December 31, 2008, we had backlog of approximately $263 million in future revenue under signed customer contracts for the installation or construction of projects, which we expected to be recognized over the period from 2009 to 2011, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $939 million over the period from 2009 to 2013. We also expect to realize recurring revenue both under long-term O&M contracts and under long-term energy supply contracts for renewable energy plants that we own.

Our customers have the right under some circumstances to terminate contracts or defer the timing of our services and their payments to us. In addition, our government contracts are subject to the risks described below under “Provisions in government contracts may harm our business, financial condition and operating results.” The payment estimates for projects that have been awarded to us but for which we have not yet signed contracts have been prepared by management and are based upon a number of assumptions, including that the size and scope of the awarded projects will not change prior to the signing of customer contracts, that we or our customers will be able to obtain any necessary third-party financing for the awarded projects, and that we and our customers will reach agreement on and execute contracts for the awarded projects. We are not always able to enter into a contract for an awarded project on the terms proposed. As a result, we may not receive all of the revenue that we include in our backlog or that we estimate we will receive under awarded projects. If we do not receive all of the revenue we currently expect to receive, our future operating results will be adversely affected. In addition, a delay in the receipt of revenue, even if such revenue is eventually received, may cause our operating results for a particular quarter to fall below our expectations.

Our business is affected by seasonal trends and construction cycles, and these trends and cycles could have an adverse effect on our operating results.

We are subject to seasonal fluctuations and construction cycles, particularly in climates that experience colder weather during the winter months, such as the northern United States and Canada, or at educational institutions, where large projects are typically carried out during summer months when their facilities are unoccupied. In addition, government customers, many of which have fiscal years that do not coincide with ours, typically follow annual procurement cycles and appropriate funds on a fiscal-year basis even though contract performance may take more than one year. Further, government contracting cycles can be affected by the timing of, and delays in, the legislative process related to government programs and incentives that help drive demand for energy efficiency and renewable energy projects. As a result, our revenue and operating income in the third quarter are typically higher, and our revenue and operating income in the first quarter are typically lower, than in other quarters of the year. As a result of such fluctuations, we may occasionally experience declines in revenue or earnings as compared to the immediately preceding quarter, and comparisons of our operating results on a period-to-period basis may not be meaningful.

Our business depends in part on federal, state, provincial and local government support for energy efficiency and renewable energy, and a decline in such support could harm our business.

We depend in part on government legislation and policies that support energy efficiency and renewable energy projects and that enhance the economic feasibility of our energy efficiency services and small-scale renewable energy projects. The U.S. and Canadian federal governments and several of the states and provinces in which we operate support our existing and potential customers’ investments in energy efficiency and renewable energy through legislation and regulations that authorize and regulate the manner in which certain governmental entities do business with us, encourage or subsidize governmental procurement of our services, provide regulatory, tax and other incentives to others to procure our services and provide us with tax and other incentives that reduce our costs or increase our revenue.

For example, U.S. legislation authorizing federal agencies to enter into ESPCs, such as those we enter into with our customers, was enacted in 1992. In 2007, three years after the expiration of the original legislation, new ESPC legislation was enacted without an expiration provision, and in the same year, the President of the United States issued an executive order requiring federal agencies to set goals to reduce energy use and increase renewable energy sources and use. In addition, the American Recovery and Reinvestment Act of 2009 allocated $67 billion to promote clean energy, energy efficiency and advanced vehicles. Additionally, the Emergency Economic Stabilization Act of 2008 instituted the 1603 cash grant program, which may provide cash in lieu of an investment tax credit for eligible renewable energy generation sources for which construction commences prior to the end of 2010 where the project is placed in service by various dates set out in the act. The Internal Revenue Code, or the Code, currently provides production tax credits for the generation of electricity from wind projects and from LFG-fueled power projects, and an investment tax credit or grant in lieu of such tax credits for investments in LFG, wind, biomass and solar power generation projects. Various state and local governments have also implemented similar programs and incentives, including legislation authorizing the procurement of ESPCs.

We, our customers and prospective customers frequently depend on these programs to help justify the costs associated with, and to finance, energy efficiency and renewable energy projects. If any of these incentives are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, it could adversely affect our ability to complete projects for existing customers and obtain project commitments from new customers. A delay or failure by government agencies to administer, or make procurements under, these programs in a timely and efficient manner could have a material adverse effect on our existing and potential customers' willingness to enter into project commitments with us.

In addition, some of our customers purchase electricity, thermal energy or processed LFG from our renewable energy plants, or purchase other energy services from us, because tax, energy and environmental laws encourage or in some cases require these customers to procure power from renewable or low-emission sources, or to reduce their electricity use. Changes to these tax, energy and environmental laws could reduce our customers' incentives and mandates to purchase the kinds of services that we supply, and could thereby adversely affect our business, financial condition and operating results.

Changes in the laws and regulations governing the public procurement of ESPCs could have a material impact on our business.

We derive a significant amount of our revenue from ESPCs with our government customers. While federal, state and local government rules governing such contracts vary, such rules may, for example, permit the funding of such projects through long-term financing arrangements; permit long-term payback periods from the savings realized through such contracts; allow units of government to exclude debt related to such projects from the calculation of their statutory debt limitation; allow for award of contracts on a "best value" instead of "lowest cost" basis; and allow for the use of sole source providers. To the extent these rules become more restrictive in the future, our business could be harmed.

A significant decline in the fiscal health of federal, state, provincial and local governments could reduce demand for our energy efficiency and renewable energy projects.

In 2009, approximately 85% of our revenue was derived from sales to federal, state, provincial or local governmental entities. A significant decline in the fiscal health of these existing and potential customers may make it difficult for them to enter into contracts for our services or to obtain financing necessary to fund such contracts, or may cause them to seek to renegotiate or terminate existing agreements with us.

Failure of third parties to manufacture quality products or provide reliable services in a timely manner could cause delays in the delivery of our services and completion of our projects, which could damage our reputation, have a negative impact on our relationships with our customers and adversely affect our growth.

Our success depends on our ability to provide services and complete projects in a timely manner, which in part depends on the ability of third parties to provide us with timely and reliable services and products, such as boilers, chillers, cogeneration systems, PV panels, lighting and other complex components. In providing our services and completing our projects, we rely on products that meet our design specifications and components manufactured and supplied by third parties, as well as on services performed by subcontractors.

We rely on subcontractors to perform substantially all of the construction and installation work related to our projects. We provide all design and engineering work related to, and act as the general contractor for, our projects. We have established relationships with subcontractors that we believe to be reliable and capable of producing satisfactory results, but we often need to engage subcontractors with whom we have no experience for our projects. If any of our subcontractors are unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed.

The warranties provided by our third-party suppliers and subcontractors typically limit any direct harm we might experience as a result of our relying on their products and services. However, there can be no assurance that a supplier or subcontractor will be willing or able to fulfill its contractual obligations and make necessary repairs or replace equipment. In addition, these warranties generally expire within one to five years or may be of limited scope or provide limited remedies. If we are unable to avail ourselves of warranty protection, we may incur liability to our customers or additional costs related to the affected products and components, including replacement and installation costs, which could have a material adverse effect on our business, financial condition and operating results.

Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services — even if covered by warranties — could adversely affect the quality and performance of our solutions. This could cause us to experience difficulty retaining current customers and attracting new customers, and could harm our brand, reputation and growth. In addition, any significant interruption or delay by our suppliers in the manufacture or delivery of products or services on which we depend could require us to expend considerable time, effort and expense to establish alternate sources for such products and services.

We may have liability to our customers under our ESPCs if our projects fail to deliver the energy use reductions to which we are committed under the contract.

For our energy efficiency projects, we typically enter into ESPCs under which we commit that the projects will satisfy agreed-upon performance standards appropriate to the project. These commitments are typically structured as guarantees of increased energy efficiency that are based on the design, capacity, efficiency or operation of the specific equipment and systems we install. Our commitments generally fall into three categories: pre-agreed, equipment-level and whole building-level. Under a pre-agreed efficiency commitment, our customer reviews the project design in advance and agrees that, upon or shortly after completion of installation of the specified equipment comprising the project, the pre-agreed increase in energy efficiency will have been met. Under an equipment-level commitment, we commit to a level of increased energy efficiency based on the difference in use measured first with the existing equipment and then with the replacement equipment upon completion of installation. A whole building-level commitment requires measurement and verification of increased energy efficiency for a whole building, often based on readings of the utility meter where usage is measured. Depending on the project, the measurement and verification may be required only once, upon installation, based on an analysis of one or more sample installations, or may be required to be repeated at agreed upon intervals generally over periods of up to 20 years.

Under our contracts, we typically do not take responsibility for a wide variety of factors outside our control and exclude or adjust for such factors in commitment calculations. These factors include variations in energy prices and utility rates, weather, facility occupancy schedules, the amount of energy-using equipment in a facility, and failure of the customer to operate or maintain the project properly. We rely in part on warranties from our equipment suppliers and subcontractors to back-stop the warranties we provide to our customers and, where appropriate, pass on the warranties to our customers. However, the warranties we provide to our customers are sometimes broader in scope or longer in duration than the corresponding warranties we receive from our suppliers and subcontractors, and we bear the risk for any differences, as well as the risk of warranty default by our suppliers and subcontractors.

Typically, our performance commitments apply to the aggregate overall performance of a project rather than to individual energy efficiency measures. Therefore, to the extent an individual measure underperforms, it may be offset by other measures that overperform. In the event that an energy efficiency project does not perform according to the agreed-upon specifications, our agreements typically allow us to satisfy our obligation by adjusting or modifying the installed equipment, installing additional measures to provide substitute energy savings, or paying the customer for lost energy savings based on the assumed conditions specified in the agreement. From our inception to March 31, 2010, our total payments to customers and incurred equipment replacement and maintenance costs under our energy efficiency commitments, after customer acceptance of a project, have been less than $100,000 in the aggregate. However, we may incur additional or increased liabilities or expenses under our ESPCs in the future. Such liabilities or expenses could be substantial, and they could materially harm our business, financial condition or operating results. In addition, any disputes with a customer over the extent to which we bear responsibility to improve performance or make payments to the customer may diminish our prospects for future business from that customer or damage our reputation in the marketplace.

We may assume responsibility under customer contracts for factors outside our control, including, in connection with some customer projects, the risk that fuel prices will increase.

We typically do not take responsibility under our contracts for a wide variety of factors outside our control. We have, however, in a limited number of contracts assumed some level of risk and responsibility for certain factors — sometimes only to the extent that variations exceed specified thresholds — and may also do so under certain contracts in the future, particularly in our contracts for renewable energy projects.

For example, under a contract for the construction and operation of a cogeneration facility at the U.S. Department of Energy Savannah River Site in South Carolina, a subsidiary of ours is exposed to the risk that the price of the biomass that will be used to fuel the cogeneration facility may rise during the 19-year performance period of the contract. Several provisions in that contract mitigate the price risk, including a specified annual increase in the price our subsidiary charges the customer for biomass fuel, incentives for the customer to make on-site biomass available to the cogeneration facility, an escrow fund from which our subsidiary can withdraw funds should the price of biomass in a given year exceed that charged to the customer, the right to reduce the amount of steam generated by the use of biomass to a stipulated minimum level and the ability to use other fuels, such as used tires, to produce up to 30% of the facility's total production. In addition, although we typically structure our contracts so that our obligation to supply a customer with LFG, electricity or steam, for example, does not exceed the quantity produced by the production facility, in some circumstances we may commit to supply a customer with specified minimum quantities based on our projections of the facility's production capacity. In such circumstances, if we are unable to meet such commitments, we may be required to incur additional costs or face penalties.

Despite the steps we have taken to mitigate risks under these and other contracts, such steps may not be sufficient to avoid the need to incur increased costs to satisfy our commitments, and such costs could be material. Increased costs that we are unable to pass through to our customers could have a material adverse effect on our operating results.

Our business depends on experienced and skilled personnel and substantial specialty subcontractor resources, and if we lose key personnel or if we are unable to attract and integrate additional skilled personnel, it will be more difficult for us to manage our business and complete projects.

The success of our business depends in large part on the skill of our personnel. Accordingly, it is critical that we maintain, and continue to build, a highly experienced management team and specialized workforce, including engineers, project and construction management, and business development and sales professionals. In addition, our construction projects require a significant amount of trade labor resources, such as electricians, mechanics, carpenters, masons and other skilled workers, as well as certain specialty subcontractor skills.

Competition for personnel, particularly those with expertise in the energy services and renewable energy industries, is high, and identifying candidates with the appropriate qualifications can be costly and difficult. We may not be able to hire the necessary personnel to implement our business strategy given our anticipated hiring needs, or we may need to provide higher compensation or more training to our personnel than we currently anticipate.

In the event we are unable to attract, hire and retain the requisite personnel and subcontractors, we may experience delays in completing projects in accordance with project schedules and budgets, which may have an adverse effect on our financial results, harm our reputation and cause us to curtail our pursuit of new projects. Further, any increase in demand for personnel and specialty subcontractors may result in higher costs, causing us to exceed the budget on a project, which in turn may have an adverse effect on our business, financial condition and operating results and harm our relationships with our customers.

Our future success is particularly dependent on the vision, skills, experience and effort of our senior management team, including our executive officers and our founder, principal stockholder, president and chief executive officer, George P. Sakellaris. If we were to lose the services of any of our executive officers or key employees, our ability to effectively manage our operations and implement our strategy could be harmed and our business may suffer.

If we cannot obtain surety bonds and letters of credit, our ability to operate may be restricted.

Federal and state laws require us to secure the performance of certain long-term obligations through surety bonds and letters of credit. In addition, we are occasionally required to provide bid bonds or performance bonds to secure our performance under energy efficiency contracts. Our sureties have historically required that our principal stockholder, George P. Sakellaris, who is also our founder, president and chief executive officer, personally indemnify them for up to an aggregate of $50 million of losses associated with the bonds they have provided on our behalf. We expect this indemnity will terminate following the closing of this offering. In addition, in the event that Mr. Sakellaris no longer controls our company, our sureties may reevaluate our eligibility for surety bonds. Although we expect the net proceeds of this offering to increase our bonding capacity, our ability to obtain required bonds or letters of credit depends in large part upon our capitalization, working capital, past performance, management expertise and reputation, and external factors beyond our control, including the overall capacity of the surety market. Our ability to obtain letters of credit under our existing credit arrangements is limited. We are not permitted to have more than $10 million in letters of credit outstanding at any time (including letters of credit that have been drawn upon but not repaid on our behalf) under the terms of our revolving senior secured credit facility. Moreover, our use of letters of credit limits our borrowing capability under our revolving senior secured credit facility as the aggregate amount of letters of credit we have outstanding at any time reduces our borrowing capacity under the facility by an equal amount. As of March 31, 2010, we had no letters of credit outstanding.

In the future, we may have difficulty procuring or maintaining surety bonds or letters of credit, and obtaining them may become more expensive, require us to post cash collateral or otherwise involve unfavorable terms. Because we are sometimes required to have performance bonds or letters of credit in place before projects can commence or continue, our failure to obtain or maintain those bonds and letters of credit would adversely affect our ability to begin and complete projects, and thus could have a material adverse effect on our business, financial condition and operating results.

We operate in a highly competitive industry, and our current or future competitors may be able to compete more effectively than we do, which could have a material adverse effect on our business, revenue, growth rates and market share.

Our industry is highly competitive, with many companies of varying size and business models, many of which have their own proprietary technologies, competing for the same business as we do. Many of our competitors have longer operating histories and greater resources than us, and could focus their substantial financial resources to develop a competing business model, develop products or services that are more attractive to potential customers than what we offer or convince our potential customers that they should require financing arrangements that would be impractical for smaller companies to offer. Our competitors may also offer energy solutions at prices below cost, devote significant sales forces to competing with us or attempt to recruit our key personnel by increasing compensation, any of which could improve their competitive positions. Any of these competitive factors could make it more difficult for us to attract and retain customers, cause us to lower our prices in order to compete, and reduce our market share and revenue, any of which could have a material adverse effect on our financial condition and operating results. We can provide no assurance that we will continue to effectively compete against our current competitors or additional companies that may enter our markets.

In addition, we may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our products and services. We also encounter competition in the form of potential customers electing to develop solutions or perform services internally rather than engaging an outside provider such as us.

We may be unable to complete or operate our projects on a profitable basis or as we have committed to our customers.

Development, installation and construction of our energy efficiency and renewable energy projects, and operation of our renewable energy projects, entails many risks, including:

- failure to receive critical components and equipment that meet our design specifications and can be delivered on schedule;
- failure to obtain all necessary rights to land access and use;
- failure to receive quality and timely performance of third-party services;
- increases in the cost of labor, equipment and commodities needed to construct or operate projects;
- permitting and other regulatory issues, license revocation and changes in legal requirements;
- shortages of equipment or skilled labor;
- unforeseen engineering problems;
- failure of a customer to accept or pay for renewable energy that we supply;
- weather interferences, catastrophic events including fires, explosions, earthquakes, droughts and acts of terrorism; and accidents involving personal injury or the loss of life;
- labor disputes and work stoppages;
- mishandling of hazardous substances and waste; and
- other events outside of our control.

Any of these factors could give rise to construction delays and construction and other costs in excess of our expectations. This could prevent us from completing construction of our projects, cause defaults under our financing agreements or under contracts that require completion of project construction by a certain time, cause projects to be unprofitable for us, or otherwise impair our business, financial condition and operating results.

Our small-scale renewable energy plants may not generate expected levels of output.

The small-scale renewable energy plants that we construct and own are subject to various operating risks that may cause them to generate less than expected amounts of processed LFG, electricity or thermal energy. These risks include a failure or degradation of our, our customers' or utilities' equipment; an inability to find suitable replacement equipment or parts; less than expected supply of the plant's source of renewable energy, such as LFG or biomass; or a faster than expected diminishment of such supply. Any extended interruption in the plant's operation, or failure of the plant for any reason to generate the expected amount of output, could have a material adverse effect on our business and operating results. In addition, we have in the past, and could in the future, incur material asset impairment charges if any of our renewable energy plants incurs operational issues that indicate that our expected future cash flows from the plant are less than its carrying value. Any such impairment charge could have a material adverse effect on our operating results in the period in which the charge is recorded.

We may be unable to manage our growth effectively.

Our business and operations have expanded rapidly in the last several years, and we anticipate that further expansion of our organization and operations will be required to achieve our expectations for future growth. In addition, in order to manage our expanding operations, we will also need to continue to improve our management, operational and financial controls and our reporting systems and procedures. All of these measures will require significant expenditures and will demand the attention of management. If we do not continue to enhance our management personnel and our operational and financial systems and controls in response to growth in our business, we could experience operating inefficiencies that could impair our competitive position and could increase our costs more than we had planned. If we are unable to manage growth effectively, our business, financial condition and operating results could be adversely affected.

We expect that some of our growth will be accomplished through the opening of new offices and the hiring of additional personnel to staff those offices. Even if an office is ultimately successful in generating additional revenue and profit for us, there is generally a lag of several years before we are able to recoup the expenses associated with opening that office.

In order to secure contracts for new projects, we typically face a long and variable selling cycle that requires significant resource commitments and requires a long lead time before we realize revenue.

The sales, design and construction process for energy efficiency and renewable energy projects typically takes from 12 to 36 months, with sales to federal government and housing authority customers tending to require the longest sales processes. Our existing and potential customers generally have extended budgeting and procurement processes, and sometimes must engage in regulatory approval processes, related to our services. Most of our potential customers issue a request for proposal, or RFP, as part of their consideration of alternatives for their proposed project. In preparation for responding to an RFP, we typically conduct a preliminary audit of the customer's needs and the opportunity to reduce its energy costs. For projects involving a renewable energy plant that is not located on a customer's site or that uses sources of energy not within the customer's control, the sales process also involves the identification of sites with attractive sources of renewable energy, such as a landfill or a site with high winds, and it may involve obtaining necessary rights and governmental permits to develop a project on that site. If we are awarded a project, we then perform a more detailed audit of the customer's facilities, which serves as the basis for the final specifications of the project. We then must negotiate and execute a contract with the customer. In addition, we or the customer typically need to obtain financing for the project.

This extended sales process requires the dedication of significant time by our sales and management personnel and our use of significant financial resources, with no certainty of success or recovery of our related expenses. A potential customer may go through the entire sales process and not accept our proposal. All of these factors can contribute to fluctuations in our quarterly financial performance and increase the likelihood that our operating results in a particular quarter will fall below investor expectations. These factors could also adversely affect our business, financial condition and operating results due to increased spending by us that is not offset by increased revenue.

Provisions in our government contracts may harm our business, financial condition and operating results.

A significant majority of our contract backlog and projects that have been awarded to us but have not yet been committed to signed contracts is attributable to customers that are government entities. Our contracts with the federal government and its agencies, and with state, provincial and local governments, customarily contain provisions that give the government substantial rights and remedies, many of which are not typically found in commercial contracts, including provisions that allow the government to:

- terminate existing contracts, in whole or in part, for any reason or no reason;
- reduce or modify contracts or subcontracts;
- decline to award future contracts if actual or apparent organizational conflicts of interest are discovered, or to impose organizational conflict mitigation measures as a condition of eligibility for an award;
- suspend or debar the contractor from doing business with the government or a specific government agency; and
- pursue criminal or civil remedies under the False Claims Act, False Statements Act and similar remedy provisions unique to government contracting.

Generally, government contracts contain provisions permitting unilateral termination or modification, in whole or in part, at the government's convenience. Under general principles of government contracting law, if the government terminates a contract for convenience, the terminated company may recover only its incurred or committed costs, settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting company is entitled to recover costs incurred and associated profits on accepted items only and may be liable for excess costs incurred by the government in procuring undelivered items from another source. In most of our contracts with the federal government, the government has agreed to make a payment to us in the event that it terminates the agreement early. The termination payment is designed to compensate us for the cost of construction plus financing costs and profit on the work completed.

In ESPCs for governmental entities, the methodologies for computing energy savings may be less favorable than for non-governmental customers and may be modified during the contract period. We may be liable for price reductions if the projected savings cannot be substantiated.

In addition to the right of the federal government to terminate its contracts with us, federal government contracts are conditioned upon the continuing approval by Congress of the necessary spending to honor such contracts. Congress often appropriates funds for a program on a September 30 fiscal-year basis even though contract performance may take more than one year. Consequently, at the beginning of many major governmental programs, contracts often may not be fully funded, and additional monies are then committed to the contract only if, as and when appropriations are made by Congress for future fiscal years. Similar practices are likely to also affect the availability of funding for our contracts with Canadian, as well as state, provincial and local, government entities. If one or more of our government contracts were terminated or reduced, or if appropriations for the funding of one or more of our contracts is delayed or terminated, our business, financial condition and operating results could be adversely affected.

Government contracts normally contain additional terms and conditions that may increase our costs of doing business, reduce our profits and expose us to liability for failure to comply with these terms and conditions. These include, for example:

- specialized accounting systems unique to government contracting, which may include mandatory compliance with federal Cost Accounting Standards;
- mandatory financial audits and potential liability for adjustments in contract prices;
- public disclosure of contracts, which may include pricing information;
- mandatory socioeconomic compliance requirements, including small business promotion, labor, environmental and U.S. manufacturing requirements; and
- requirements for maintaining current facility and/or personnel security clearances to access certain government facilities or to maintain certain records, and related industrial security compliance requirements.

Our contracts with Canadian governmental entities frequently involve similar risks. Any failure by us to comply with these governmental requirements could adversely affect our business.

Our renewable energy projects, particularly our LFG projects, depend on locating and acquiring suitable operating sites, of which there are a limited number.

Our small-scale renewable energy projects must be situated at sites that have access to renewable sources of energy. Specifically, LFG projects must originate on or near landfill sites, of which approximately 500 are currently available in the United States for economically viable LFG projects. Sites for our renewable energy plants must be suitable for construction and efficient operation, which, among other things, requires appropriate road access. Further, many plants must be interconnected to electricity transmission or distribution networks. Once we have identified a suitable operating site, obtaining the requisite LFG and/or land rights (including access rights, setbacks and other easements) requires us to negotiate with landowners and local government officials. These negotiations can take place over a long time, are not always successful and sometimes require economic concessions not in our original plans. The property rights necessary to construct and interconnect our plants must also be insurable and otherwise satisfactory to our financing counterparties. In addition, our ability to obtain adequate LFG and/or property rights is subject to competition. If a competitor or other party obtains LFG and/or land rights critical to our project development efforts and we are unable to reach agreement for their use, we could incur losses as a result of development costs for sites we do not develop, which we would have to write off. If we are unable to obtain adequate LFG and/or property or other rights for a renewable energy plant, including its interconnection, that plant may be smaller in size or potentially unfeasible. Failure to obtain insurable property rights for a project satisfactory to our financing sources would preclude our ability to obtain third-party financing and could prevent ongoing development and construction of that project.

We plan to expand our business in part through future acquisitions, but we may not be able to identify or complete suitable acquisitions.

Historically, acquisitions have been a significant part of our growth strategy. We plan to continue to use acquisitions of companies or assets to expand our project skill-sets and capabilities, expand our geographic markets, add experienced management and increase our product and service offerings. However, we may be unable to implement this growth strategy if we cannot identify suitable acquisition candidates, reach agreement with acquisition targets on acceptable terms or arrange required financing for acquisitions on acceptable terms. In addition, the time and effort involved in attempting to identify acquisition candidates and consummate acquisitions may divert members of our management from the operations of our company.

Any future acquisitions that we may make could disrupt our business, cause dilution to our stockholders and harm our business, financial condition or operating results.

If we are successful in consummating acquisitions, those acquisitions could subject us to a number of risks, including:

- the purchase price we pay could significantly deplete our cash reserves or result in dilution to our existing stockholders;
- we may find that the acquired company or assets do not improve our customer offerings or market position as planned;
- we may have difficulty integrating the operations and personnel of the acquired company;
- key personnel and customers of the acquired company may terminate their relationships with the acquired company as a result of the acquisition;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;

- we may assume or be held liable for risks and liabilities (including for environmental-related costs) as a result of our acquisitions, some of which we may not discover during our due diligence or adequately adjust for in our acquisition arrangements;
- our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically or culturally diverse enterprises;
- we may incur one-time write-offs or restructuring charges in connection with the acquisition;
- we may acquire goodwill and other intangible assets that are subject to amortization or impairment tests, which could result in future charges to earnings; and
- we may not be able to realize the cost savings or other financial benefits we anticipated.

These factors could have a material adverse effect on our business, financial condition and operating results.

We need governmental approvals and permits, and we typically must meet specified qualifications, in order to undertake our energy efficiency projects and construct, own and operate our small-scale renewable energy projects, and any failure to do so would harm our business.

The design, construction and operation of our energy efficiency and small-scale renewable energy projects require various governmental approvals and permits, and may be subject to the imposition of related conditions that vary by jurisdiction. In some cases, these approvals and permits require periodic renewal. We cannot predict whether all permits required for a given project will be granted or whether the conditions associated with the permits will be achievable. The denial of a permit essential to a project or the imposition of impractical conditions would impair our ability to develop the project. In addition, we cannot predict whether the permits will attract significant opposition or whether the permitting process will be lengthened due to complexities and appeals. Delay in the review and permitting process for a project can impair or delay our ability to develop that project or increase the cost so substantially that the project is no longer attractive to us. We have experienced delays in developing our projects due to delays in obtaining permits and may experience delays in the future. If we were to commence construction in anticipation of obtaining the final, non-appealable permits needed for that project, we would be subject to the risk of being unable to complete the project if all the permits were not obtained. If this were to occur, we would likely lose a significant portion of our investment in the project and could incur a loss as a result. Further, the continued operations of our projects require continuous compliance with permit conditions. This compliance may require capital improvements or result in reduced operations. Any failure to procure, maintain and comply with necessary permits would adversely affect ongoing development, construction and continuing operation of our projects.

In addition, the projects we perform for governmental agencies are governed by particular qualification and contracting regimes. Certain states require qualification with an appropriate state agency as a precondition to performing work or appearing as a qualified energy service provider for state, county and local agencies within the state. For example, the Commonwealth of Massachusetts and the states of Colorado and Washington pre-qualify energy service providers and provide contract documents that serve as the starting point for negotiations with potential governmental clients. Most of the work that we perform for the federal government is performed under IDIQ agreements between a government agency and us or a subsidiary. These IDIQ agreements allow us to contract with the relevant agencies to implement energy projects, but no work may be performed unless we and the agency agree on a task order or delivery order governing the provision of a specific project. The government agencies enter into contracts for specific projects on a competitive basis. We and our subsidiaries and affiliates are currently party to an IDIQ agreement with the U.S. Department of Energy that expires in 2019. If we are unable to maintain or renew our IDIQ qualification under the U.S. Department of Energy program for ESPCs, or similar federal or state qualification regimes, our business could be materially harmed.

Many of our small-scale renewable energy projects are, and other future projects may be, subject to or affected by U.S. federal energy regulation or other regulations that govern the operation, ownership and sale of the facility, or the sale of electricity from the facility.

The Public Utility Holding Company Act of 2005, or PUHCA, and the Federal Power Act, or FPA, regulate public utility holding companies and their subsidiaries and place constraints on the conduct of their business. The FPA regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by public utilities. Under the Public Utility Regulatory Policies Act of 1978, or PURPA, all of our current small-scale renewable energy projects are small power “qualifying facilities” (facilities meeting statutory size, fuel and ownership requirements) that are exempt from regulations under PUHCA, most provisions of the FPA and state rate regulation. None of our renewable energy projects are currently subject to rate regulation for wholesale power sales by the Federal Energy Regulatory Commission, or FERC, under the FPA, but certain of our projects that are under construction or development could become subject to such regulation in the future. Also, we may acquire interests in or develop generating projects that are not qualifying facilities. Non-qualifying facility projects would be fully subject to FERC corporate and rate regulation, and would be required to obtain FERC acceptance of their rate schedules for wholesale sales of energy, capacity and ancillary services, which requires substantial disclosures to and discretionary approvals from FERC. FERC may revoke or revise an entity’s authorization to make wholesale sales at negotiated, or market-based, rates if FERC determines that we can exercise market power in transmission or generation, create barriers to entry or engage in abusive affiliate transactions or market manipulation. In addition, many public utilities (including any non-qualifying facility generator in which we may invest) are subject to FERC reporting requirements that impose administrative burdens and that, if violated, can expose the company to civil penalties or other risks.

All of our wholesale electric power sales are subject to certain market behavior rules. These rules change from time to time, by virtue of FERC rulemaking proceedings and FERC-ordered amendments to utilities’ FERC tariffs. If we are deemed to have violated these rules, we will be subject to potential disgorgement of profits associated with the violation and/or suspension or revocation of our market-based rate authority, as well as potential criminal and civil penalties. If we were to lose market-based rate authority for any non-qualifying facility project we may acquire or develop in the future, we would be required to obtain FERC’s acceptance of a cost-based rate schedule and could become subject to, among other things, the burdensome accounting, record keeping and reporting requirements that are imposed on public utilities with cost-based rate schedules. This could have an adverse effect on the rates we charge for power from our projects and our cost of regulatory compliance.

Wholesale electric power sales are subject to increasing regulation. The terms and conditions for power sales, and the right to enter and remain in the wholesale electric sector, are subject to FERC oversight. Due to major regulatory restructuring initiatives at the federal and state levels, the U.S. electric industry has undergone substantial changes over the past decade. We cannot predict the future design of wholesale power markets or the ultimate effect ongoing regulatory changes will have on our business. Other proposals to further regulate the sector may be made and legislative or other attention to the electric power market restructuring process may delay or reverse the movement towards competitive markets.

If we become subject to additional regulation under PUHCA, FPA or other regulatory frameworks, if existing regulatory requirements become more onerous, or if other material changes to the regulation of the electric power markets take place, our business, financial condition and operating results could be adversely affected.

Compliance with environmental laws could adversely affect our operating results.

Costs of compliance with federal, state, provincial, local and other foreign existing and future environmental regulations could adversely affect our cash flow and profitability. We are required to comply with numerous environmental laws and regulations and to obtain numerous governmental permits in connection with energy efficiency and renewable energy projects, and we may incur significant additional costs to comply with these requirements. If we fail to comply with these requirements, we could be subject to civil or criminal liability, damages and fines. Existing environmental regulations could be revised or reinterpreted and new laws and regulations could be adopted or become applicable to us or our projects, and future changes in environmental laws and regulations could occur. These factors may materially increase the amount we must invest to bring our projects into compliance and impose additional expense on our operations.

In addition, private lawsuits or enforcement actions by federal, state, provincial and/or foreign regulatory agencies may materially increase our costs. Certain environmental laws make us potentially liable on a joint and several basis for the remediation of contamination at or emanating from properties or facilities we currently or formerly owned or operated or properties to which we arranged for the disposal of hazardous substances. Such liability is not limited to the cleanup of contamination we actually caused. Although we seek to obtain indemnities against liabilities relating to historical contamination at the facilities we own or operate, we cannot provide any assurance that we will not incur liability relating to the remediation of contamination, including contamination we did not cause. For example, in 2009, a customer for which we were performing an energy efficiency project initiated a legal proceeding against us as a result of project delays that we believe were attributable to the discovery of hazardous materials and need for remediation by the customer. An adverse outcome in this proceeding could have an adverse effect on our operating results in the period in which the outcome is determined.

We may not be able to obtain or maintain, from time to time, all required environmental regulatory approvals. A delay in obtaining any required environmental regulatory approvals or failure to obtain and comply with them could adversely affect our business and operating results.

International expansion is one of our growth strategies, and international operations will expose us to additional risks that we do not face in the United States, which could have an adverse effect on our operating results.

We generate a significant portion of our revenue from operations in Canada, and although we are engaged in overseas projects for the U.S. Department of Defense, we currently derive a small amount of revenue from outside of North America. However, international expansion is one of our growth strategies, and we expect our revenue and operations outside of North America will expand in the future. These operations will be subject to a variety of risks that we do not face in the United States, and that we may face only to a limited degree in Canada, including:

- building and managing highly experienced foreign workforces and overseeing and ensuring the performance of foreign subcontractors;
- increased travel, infrastructure and legal and compliance costs associated with multiple international locations;
- additional withholding taxes or other taxes on our foreign income, and tariffs or other restrictions on foreign trade or investment;
- imposition of, or unexpected adverse changes in, foreign laws or regulatory requirements, many of which differ from those in the United States;
- increased exposure to foreign currency exchange rate risk;
- longer payment cycles for sales in some foreign countries and potential difficulties in enforcing contracts and collecting accounts receivable;
- difficulties in repatriating overseas earnings;
- general economic conditions in the countries in which we operate; and
- political unrest, war, incidents of terrorism, or responses to such events.

Our overall success in international markets will depend, in part, on our ability to succeed in differing legal, regulatory, economic, social and political conditions. We may not be successful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we do business. Our failure to manage these risks successfully could harm our international operations, reduce our international sales and increase our costs, thus adversely affecting our business, financial condition and operating results.

Our insurance and contractual protections may not always cover lost revenue, increased expenses or liquidated damages payments.

Although we maintain insurance, obtain warranties from suppliers, obligate subcontractors to meet certain performance levels and attempt, where feasible, to pass risks we cannot control to our customers, the proceeds of such insurance, warranties, performance guarantees or risk sharing arrangements may not be adequate to cover lost revenue, increased expenses or liquidated damages payments that may be required in the future.

If the cost of energy generated by traditional sources does not increase, or if it decreases, demand for our services may decline.

Decreases in the costs associated with traditional sources of energy, such as prices for commodities like coal, oil and natural gas, may reduce demand for energy efficiency and renewable energy solutions. Technological progress in traditional forms of electricity generation or the discovery of large new deposits of traditional fuels could reduce the cost of electricity generated from those sources and as a consequence reduce the demand for our solutions. Any of these developments could have a material adverse effect on our business, financial condition and operating results.

We have a material weakness in our internal control over financial reporting. If we fail to establish and maintain proper and effective internal controls, our ability to produce accurate financial statements could be impaired, which could adversely affect our operating results, our ability to operate our business and investors' and customers' views of us.

As a public company, we will become subject to a set of laws and regulations requiring that we establish and maintain internal control over financial reporting. Internal control over financial reporting is defined under Securities and Exchange Commission, or SEC, rules as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. We have not yet begun the process of documenting, reviewing and, as appropriate, improving our internal controls and procedures in anticipation of being a public company and eventually becoming subject to the SEC rules concerning internal control over financial reporting, which take effect beginning with the filing of our second Annual Report on Form 10-K (which will be due in March 2012). Establishing and maintaining adequate internal financial and accounting controls and procedures so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently, and may distract our officers and employees from the operation of our business.

We do not currently have personnel with an appropriate level of knowledge, experience or training in the selection, application and implementation of GAAP as it relates to certain complex accounting issues, income taxes and SEC financial reporting requirements. This constitutes a material weakness in our internal control over financial reporting that could result in material misstatements in our financial statements not being prevented or detected. Although we plan to remediate this material weakness by hiring additional personnel with the requisite expertise, we may experience difficulties or delays in doing so, and new employees will require time and training to learn our business and operating processes and procedures.

If we fail to enhance and then maintain our internal control over financial reporting, we may be unable to report our financial results timely and accurately, and we may be less likely to prevent fraud. In addition, such failure could increase our operating costs, materially impair our ability to operate our business, result in SEC investigations and penalties and lead to the delisting of our common stock from the . The resulting damage to our reputation in the marketplace and our financial credibility could significantly impair our sales and marketing efforts with customers. Further, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements could adversely affect the market price of our Class A common stock.

Changes in utility regulation and tariffs could adversely affect our business.

Our business is affected by regulations and tariffs that govern the activities of utilities. For example, utility companies are commonly allowed by regulatory authorities to charge fees to larger industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase the cost to our customers of taking advantage of our services and make them less desirable, thereby harming our business, financial condition and operating results. Our current generating projects are all operated as qualifying facilities. FERC regulations under the FPA confer upon these facilities key rights to interconnection with local utilities, and can entitle qualifying facilities to enter into power purchase agreements with local utilities, from which the qualifying facilities benefit. Changes to these federal laws and regulations could increase our regulatory burdens and costs, and could reduce our revenue. In addition, modifications to the pricing policies of utilities could require renewable energy systems to achieve lower prices in order to compete with the price of electricity from the electric grid and may reduce the economic attractiveness of certain energy efficiency measures.

Some of the demand-reduction services we provide for utilities and institutional clients are subject to regulatory tariffs imposed under federal and state utility laws. In addition, the operation of, and electrical interconnection for, our renewable energy projects are subject to federal, state or provincial interconnection and federal reliability standards that are also set forth in utility tariffs. These tariffs specify rules, business practices and economic terms to which we are subject. The tariffs are drafted by the utilities and approved by the utilities' state and federal regulatory commissions. These tariffs change frequently and it is possible that future changes will increase our administrative burden or adversely affect the terms and conditions under which we render service to our customers.

Our activities and operations are subject to numerous health and safety laws and regulations, and if we violate such regulations, we could face penalties and fines.

We are subject to numerous health and safety laws and regulations in each of the jurisdictions in which we operate. These laws and regulations require us to obtain and maintain permits and approvals and implement health and safety programs and procedures to control risks associated with our projects. Compliance with those laws and regulations can require us to incur substantial costs. Moreover, if our compliance programs are not successful, we could be subject to penalties or to revocation of our permits, which may require us to curtail or cease operations of the affected projects. Violations of laws, regulations and permit requirements may also result in criminal sanctions or injunctions.

Health and safety laws, regulations and permit requirements may change or become more stringent. Any such changes could require us to incur materially higher costs than we currently have. Our costs of complying with current and future health and safety laws, regulations and permit requirements, and any liabilities, fines or other sanctions resulting from violations of them, could adversely affect our business, financial condition and operating results.

Our credit facilities and debt instruments contain financial and operating restrictions that may limit our business activities and our access to credit.

Provisions in our credit facilities and debt instruments impose restrictions on our and certain of our subsidiaries' ability to, among other things:

- incur additional debt, or debt related to federal projects in excess of specified limits;
- pay cash dividends and make distributions;
- make certain investments and acquisitions;

- guarantee the indebtedness of others or our subsidiaries;
- redeem or repurchase capital stock;
- create liens;
- enter into transactions with affiliates;
- engage in new lines of business;
- sell, lease or transfer certain parts of our business or property;
- enter into sale-leaseback arrangements; and
- merge or consolidate.

These agreements also contain other customary covenants, including covenants that require us to meet specified financial ratios and financial tests. We may not be able to comply with these covenants in the future. Our failure to comply with these covenants may result in the declaration of an event of default and cause us to be unable to borrow under our credit facilities and debt instruments. In addition to preventing additional borrowings under these agreements, an event of default, if not cured or waived, may result in the acceleration of the maturity of indebtedness outstanding under these agreements, which would require us to pay all amounts outstanding. If an event of default occurs, we may not be able to cure it within any applicable cure period, if at all. If the maturity of our indebtedness is accelerated, we may not have sufficient funds available for repayment or we may not have the ability to borrow or obtain sufficient funds to replace the accelerated indebtedness on terms acceptable to us or at all.

If our subsidiaries default on their obligations under their debt instruments, we may need to make payments to lenders to prevent foreclosure on the collateral securing the debt.

We typically set up subsidiaries to own and finance our renewable energy projects. These subsidiaries incur various types of debt which can be used to finance one or more projects. This debt is typically structured as non-recourse debt, which means it is repayable solely from the revenue from the projects financed by the debt and is secured by such projects' physical assets, major contracts and cash accounts and a pledge of our equity interests in the subsidiaries involved in the projects. Although our subsidiary debt is typically non-recourse to Ameresco, if a subsidiary of ours defaults on such obligations, or if one project out of several financed by a particular subsidiary's indebtedness encounters difficulties or is terminated, then we may from time to time determine to provide financial support to the subsidiary in order to maintain rights to the project or otherwise avoid the adverse consequences of a default. In the event a subsidiary defaults on its indebtedness, its creditors may foreclose on the collateral securing the indebtedness, which may result in our losing our ownership interest in some or all of the subsidiary's assets. The loss of our ownership interest in a subsidiary or some or all of a subsidiary's assets could have a material adverse effect on our business, financial condition and operating results.

We are exposed to the credit risk of some of our customers.

Most of our revenue is derived under multi-year or long-term contracts with our customers, and our revenue is therefore dependent to a large extent on the creditworthiness of our customers. During periods of economic downturn in the global economy, our exposure to credit risks from our customers increases, and our efforts to monitor and mitigate the associated risks may not be effective in reducing our credit risks. In the event of non-payment by one or more of our customers, our business, financial condition and operating results could be adversely affected.

The use and enjoyment of real property rights for our small-scale renewable energy projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to us.

Our small-scale renewable energy projects generally are, and are likely to continue to be, located on land we or our customers occupy pursuant to long-term easements and leases. The ownership interests in the land subject to these easements and leases may be subject to mortgages securing loans or other liens (such as tax liens) and other easement and lease rights of third parties (such as leases of oil or mineral rights) that were created prior to our or our customers' easements and leases. As a result, the rights under these easements or leases may be subject, and subordinate, to the rights of those third parties. We typically perform title searches and obtain title insurance to protect ourselves or our customers against these risks. Such measures may, however, be inadequate to protect against all risk of loss of rights to use the land on which these projects are located, which could have a material adverse effect on our business, financial condition and operating results.

Fluctuations in foreign currency exchange rates can impact our results.

A significant portion of our total revenue is generated by our Canadian subsidiary, Ameresco Canada. Changes in exchange rates between the Canadian dollar and the U.S. dollar may adversely affect our operating results.

The trading price of our Class A common stock is likely to be volatile, and you may not be able to sell your shares at or above the initial public offering price.

Our Class A common stock has no prior trading history. The initial public offering price for our Class A common stock will be determined through negotiations between us and the representatives of the underwriters. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering. In addition, the trading price of our Class A common stock is likely to be highly volatile and could be subject to wide fluctuations in response to various factors. In addition to the risks described in this section, factors that may cause the market price of our Class A common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in estimates of our future financial results or recommendations by securities analysts;
- investors' general perception of us; and
- changes in general economic, industry and market conditions.

In addition, if the stock market in general experiences a significant decline, the trading price of our Class A common stock could decline for reasons unrelated to our business, financial condition or operating results.

Some companies that have had volatile market prices for their securities have had securities class actions filed against them. If a suit were filed against us, regardless of its merits or outcome, it would likely result in substantial costs and divert management's attention and resources. This could have a material adverse effect on our business, operating results and financial condition.

Our securities have no prior market and an active public trading market for our Class A common stock may not develop.

Prior to this offering, there has been no public market for shares of our Class A common stock. Although we have applied to list our Class A common stock on the New York Stock Exchange, or NYSE, an active public trading market for our Class A common stock may not develop or, if it develops, may not be maintained after this offering. For example, applicable NYSE rules impose certain securities trading requirements, including minimum trading price, minimum number of stockholders and minimum market capitalization. If an active public trading market for our Class A common stock does not develop or is not sustained, it may be difficult for you to sell your shares of our Class A common stock at an attractive price or at all.

Holders of our Class A common stock, which is the stock we are selling in this offering, are entitled to one vote per share, and holders of our Class B common stock are entitled to five votes per share. The lower voting power of our Class A common stock may negatively affect the attractiveness of our Class A common stock to investors and, as a result, its market value.

Upon consummation of this offering, we will have two classes of common stock: Class A common stock, which is the stock we are selling in this offering and which is entitled to one vote per share, and Class B common stock, which is entitled to five votes per share. The difference in the voting power of our Class A and Class B common stock could diminish the market value of our Class A common stock because of the superior voting rights of our Class B common stock and the power those rights confer.

For the foreseeable future, Mr. Sakellaris or his affiliates will be able to control the selection of all members of our board of directors, as well as virtually every other matter that requires stockholder approval, which will severely limit the ability of other stockholders to influence corporate matters.

Except in certain limited circumstances required by applicable law, holders of Class A and Class B common stock vote together as a single class on all matters to be voted on by our stockholders. Immediately following the closing of this offering, Mr. Sakellaris, our founder, principal stockholder, president and chief executive officer will own all of our Class B common stock, representing % of the combined voting power of our outstanding Class A and Class B common stock. Under our restated certificate of incorporation, holders of shares of Class B common stock may generally transfer those shares to family members, including spouses and descendents or the spouses of such descendents, as well as to affiliated entities, without having the shares automatically convert into shares of Class A common stock. Therefore, Mr. Sakellaris, his affiliates, and his family members and descendents will, for the foreseeable future, be able to control the outcome of the voting on virtually all matters requiring stockholder approval, including the election of directors and significant corporate transactions such as an acquisition of our company, even if they come to own, in the aggregate, as little as 20% of the economic interest of the outstanding shares of our Class A and Class B common stock. Moreover, these persons may take actions in their own interests that you or our other stockholders do not view as beneficial. See “Principal and Selling Stockholders” and “Description of Capital Stock.”

Future sales of shares by existing stockholders could cause our stock price to decline.

Once a trading market develops for our Class A common stock, many of our stockholders for the first time will have an opportunity to sell their shares, subject to the contractual lock-up agreements and other restrictions on resale discussed in this prospectus. Sales by our existing stockholders of a substantial number of shares in the public market, or the threat that substantial sales might occur, could cause the market price of the Class A common stock to decrease significantly. These factors could also make it difficult for us to raise additional capital by selling our Class A common stock. See “Shares Eligible for Future Sale” for further details regarding the number of shares eligible for sale in the public market after this offering.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our Class A common stock will depend in part on any research reports that securities or industry analysts publish about us or our business. After this offering, if no securities or industry analysts initiate coverage of our company, the trading price for our Class A common stock may be negatively impacted. In the event securities or industry analysts cover our company and one or more of these analysts downgrade our stock or publish unfavorable reports about our business, our stock price would likely decline. In addition, if any securities or industry analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which could cause our stock price and trading volume to decline.

You will experience substantial dilution as a result of this offering and future equity issuances.

The initial public offering price per share of our Class A common stock is substantially higher than the pro forma net tangible book value per share of our Class A common stock. As a result, investors purchasing Class A common stock in this offering will experience immediate dilution of $ per share, at an assumed initial public offering price of $ per share, which is the midpoint of the range listed on the cover page of this prospectus. In addition, we have granted options and a warrant to acquire Class A common stock at prices significantly below the initial public offering price. To the extent outstanding options and the warrant are exercised, there will be further dilution to investors in this offering. See “Dilution.”

Our management will have broad discretion over the use of the proceeds we receive in this offering and might not apply the proceeds in ways that increase the value of your investment.

We expect to use a portion of the net proceeds to us from this offering to repay the balance outstanding under our $50 million revolving senior secured credit facility, under which $24.9 million in principal was outstanding at of March 31, 2010, and the entire principal balance of and all accrued and unpaid interest on the $3.0 million subordinated note held by Mr. Sakellaris, our founder, principal stockholder, president and chief executive officer. We intend to use the balance of the net proceeds for working capital and other general corporate purposes, which may include opening additional offices in the United States and abroad, expanding sales and marketing activities, funding the development and construction of our small-scale renewable energy projects and other capital expenditures. Our management will have broad discretion over the use of the net proceeds from this offering, and you will be relying on the judgment of our management regarding the application of those net proceeds. Although it is the intention of our management to use the net proceeds from the offering in the best interests of the company, our management might not apply the net proceeds from this offering in ways that increase the value of your investment or in ways with which you agree. See “Use of Proceeds.”

We do not anticipate paying any cash dividends on our capital stock in the foreseeable future.

We have never declared or paid any cash dividends on our capital stock and do not currently expect to pay any cash dividends for the foreseeable future. Our revolving senior secured credit facility with Bank of America limits our ability to declare and pay cash dividends during the term of that agreement. See “Dividend Policy.” We intend to use our future earnings, if any, in the operation and expansion of our business. Accordingly, you are not likely to receive any dividends on your Class A common stock for the foreseeable future, and your ability to achieve a return on your investment will therefore depend on appreciation in the market price of our Class A common stock.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our company and may affect the trading price of our Class A common stock.

We are a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent an acquisition of our company by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change in control would be supported by our existing stockholders. In addition, our restated certificate of incorporation and by-laws may discourage, delay or prevent an acquisition or a change in our management that stockholders may consider favorable. Our restated certificate of incorporation and by-laws, which will be in effect upon the closing of this offering:

- provide for a dual class capital structure that allows our founder, principal stockholder, president and chief executive officer, Mr. Sakellaris, to control the outcome of the voting on virtually all matters requiring stockholder approval, including the election of directors and significant corporate transactions such as an acquisition of our company;
- authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to thwart a takeover attempt;

- establish a classified board of directors, as a result of which only approximately one-third of our directors are presented to a stockholder vote for re-election at any annual meeting of stockholders;
- provide that directors may be removed from office only for cause and only upon a supermajority stockholder vote;
- provide that vacancies on our board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office;
- do not permit stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- require a supermajority stockholder vote to effect certain amendments to our restated certificate of incorporation and by-laws.

For additional information regarding these and other anti-takeover provisions, see "Description of Capital Stock — Anti-Takeover Effects of Delaware Law and Our Restated Certificate of Incorporation and By-Laws."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about:

- our expectations as to the future growth of our business;
- the expected future growth of the market for energy efficiency and renewable energy solutions;
- our backlog, awarded projects and recurring revenue;
- the expected energy and cost savings of our projects; and
- the expected energy production capacity of our renewable energy plants.

These forward looking statements are only predictions and we may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, so you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. We have included important factors in the cautionary statements included in this prospectus, particularly in the “Risk Factors” section, that could cause actual future results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this prospectus.

This prospectus also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. We obtained the industry and market data in this prospectus from our own research as well as from industry and general publications, surveys and studies conducted by third parties, some of which may not be publicly available. For example, Frost & Sullivan’s 2008 report entitled *North American Energy Management Services — Investment Analysis*, which we refer to in this prospectus, is available to the public for a fee. Such data involves a number of assumptions and limitations and contains projections and estimates of the future performance of the industries in which we operate that are subject to a high degree of uncertainty. We caution you not to give undue weight to such projections, assumptions and estimates. While we believe that these publications, studies and surveys are reliable, we have not independently verified the data contained in them.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million, based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range shown on the cover of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses payable by us. At an assumed initial public offering price of $ per share, the selling stockholders will receive $ million from their sale of our Class A common stock in this offering, after deducting the estimated underwriting discount. We will not receive any proceeds from the sale of shares by the selling stockholders.

A $1.00 increase (decrease) in the assumed initial public offering price of $ would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same.

We intend to use the net proceeds we receive from this offering as follows:

- to repay the outstanding balance under our $50 million revolving senior secured credit facility ($24.9 million outstanding as of March 31, 2010), which as of March 31, 2010 bears interest at a weighted-average rate of 2.49% per annum and matures on June 30, 2011;
- approximately $3.0 million to repay in full, the entire principal amount of and accrued but unpaid interest on the subordinated note held by Mr. Sakellaris, which currently bears interest at 10.0% per annum and is payable on demand; and
- the balance for working capital and other general corporate purposes, which may include opening additional offices in the United States and abroad, expanding sales and marketing activities, funding the development and construction of our small-scale renewable energy projects and other capital expenditures.

We may use a portion of the net proceeds that we receive from this offering to expand our current business through acquisitions of complementary companies, assets or technologies. We currently have no understandings, commitments or agreements to make any acquisitions.

Pending specific utilization of the net proceeds as described above, we intend to invest the net proceeds of the offering in short-term investment grade and U.S. government securities.

Bank of America, N.A., an affiliate of Merrill, Lynch, Pierce, Fenner & Smith Incorporated, an underwriter of this offering, is acting as the agent and a lender under our revolving senior secured credit facility. See “Underwriting — Conflicts of Interest.”

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain earnings, if any, to finance the growth and development of our business and do not expect to pay any cash dividends for the foreseeable future. Our revolving senior secured credit facility with Bank of America contains provisions that limit our ability to declare and pay cash dividends during the term of that agreement. Payment of future dividends, if any, will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law and other factors our board of directors deems relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2010:

- on an actual basis;
- on a pro forma basis to reflect (1) a two-for-one split of our common stock, (2) the reclassification of all outstanding shares of our common stock as Class A common stock, (3) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (4) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock; and
- on a pro forma as adjusted basis to reflect, in addition, the sale of shares of our Class A common stock offered by us at an assumed initial public offering price of $ per share, the midpoint of the estimated price range shown on the cover page of this prospectus and after deducting the estimated underwriting discount and estimated offering expenses payable by us, including the sale of shares of our Class A common stock by the selling stockholders.

You should read this table together with our consolidated financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus.

	March 31, 2010		
	Actual	Pro Forma	Pro Forma as Adjusted
		(Unaudited)	
	(In thousands, except share and per share amounts)		
Cash and cash equivalents	$ 24,361	$ 24,361	$
Long-term debt, including current portion	140,115	140,115	
Subordinated debt	2,999	2,999	
Stockholders' equity:			
Series A convertible preferred stock, par value $0.0001 per share; 3,500,000 shares authorized, 3,210,000 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	0	0	—
Common stock, par value $0.0001 per share; 60,000,000 shares authorized, 17,998,168 shares issued and 13,282,284 outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	2	2	—
Class A common stock, par value $0.0001 per share; no shares authorized, issued or outstanding, actual; 500,000,000 shares authorized, 14,542,284 shares issued or outstanding, pro forma; 500,000,000 shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Class B common stock, par value $0.0001 per share; no shares authorized, issued or outstanding, actual; 144,000,000 shares authorized, 18,000,000 shares issued and outstanding, pro forma; 144,000,000 shares authorized, 18,000,000 shares issued and outstanding, pro forma as adjusted	—		
Preferred stock, par value $0.0001 per share; no shares authorized, issued or outstanding, actual; 5,000,000 shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Additional paid-in capital	10,905	10,905	
Retained earnings	99,161	99,161	
Accumulated other comprehensive income (loss)	3,506	3,506	
Treasury stock, 4,715,884 shares, at cost	(8,414)	(8,414)	
Total stockholders' equity	105,160	105,160	

	March 31, 2010		
	Actual	Pro Forma	Pro Forma as Adjusted
		(Unaudited)	
	(In thousands, except share and per share amounts)		
Total capitalization	$ 248,274	$ 248,274	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ would increase (decrease) each of additional paid-in capital and total stockholders' equity in the pro forma as adjusted column by $ million, assuming the number of shares of our Class A common stock offered by us, as set forth on the cover of this prospectus, remains the same.

The table above excludes:

- 405,286 shares of our Class A common stock issuable upon the exercise of a warrant outstanding and exercisable as of March 31, 2010 (including shares of our Class A common stock that we expect to be sold in this offering by a selling stockholder upon the partial exercise of this warrant) at an exercise price of $0.005 per share, which will remain outstanding after this offering if not exercised prior to this offering;
- 9,403,200 shares of our Class A common stock issuable upon the exercise of stock options outstanding as of March 31, 2010 (including an aggregate of shares of our Class A common stock that we expect to be sold in this offering by selling stockholders upon the exercise of vested options) at a weighted-average exercise price of $2.805 per share; and
- 10,000,000 shares of our Class A common stock that will be available for future issuance under our 2010 stock plan, which will become effective upon the closing of this offering.

DILUTION

If you invest in our Class A common stock in this offering, your interest in our company will be diluted immediately to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma as adjusted net tangible book value per share of our Class A and Class B common stock after this offering. Our pro forma net tangible book value as of March 31, 2010 was $85.3 million, or $2.55 per share of our Class A and Class B common stock. Our pro forma net tangible book value per share set forth below represents our total tangible assets less total liabilities and convertible preferred stock, divided by the number of shares of our Class A and Class B common stock outstanding on March 31, 2010 , after giving effect to (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock.

After giving effect to our issuance and sale of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range shown on the cover of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses payable by us, the pro forma as adjusted net tangible book value as of March 31, 2010 would have been $ million, or $ per share of Class A and Class B common stock. This represents an immediate increase in net tangible book value to existing stockholders of $ per share of Class A and Class B common stock. New investors who purchase shares of Class A common stock in this offering will suffer an immediate dilution of their investment of $ per share. Dilution per share to new investors is determined by subtracting the pro forma as adjusted net tangible book value per share of our Class A and Class B common stock after this offering from the initial public offering price per share of our Class A common stock paid by a new investor. The following table illustrates this per share dilution to new investors purchasing shares of Class A common stock in this offering:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share of Class A and Class B common stock as of March 31, 2010	$ 2.55	
Increase in pro forma net tangible book value per share attributable to new investors		
Pro forma as adjusted net tangible book value per share after the offering		
Dilution per share to new investors in Class A common stock		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock would increase (decrease) our net tangible book value by $ per share of Class A and Class B common stock and increase (decrease) the dilution in net tangible book value per share to investors in this offering by $ per share, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value will increase to $ per share of Class A and Class B common stock, representing an immediate increase in net tangible book value to existing stockholders of $ per share of Class A and Class B common stock and an immediate dilution of $ per share of Class A common stock to new investors. If any shares of our Class A common stock are issued upon exercise of outstanding options or warrants, new investors will experience further dilution (see below in this section for additional information).

The following table summarizes, on a pro forma basis as of March 31, 2010 (giving effect to (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (iv) the conversion of all other outstanding convertible preferred stock into Class B common stock) the differences between the number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid by existing stockholders and by new investors purchasing shares of our Class A common stock in this offering. The calculation below is based on an assumed initial public offering price of $ per share, the midpoint of the estimated price range shown on the cover of this prospectus, before the deduction of the estimated underwriting discount and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	%	Amount	%	
Existing stockholders	32,542,284	%	$ 2,493,918	%	$ 0.08
New investors					$
Total		100%	$	100%	

The number of shares of common stock purchased from us prior to this offering by existing stockholders is based on 14,542,284 shares of our Class A common stock and 18,000,000 shares of our Class B common stock outstanding as of March 31, 2010 after giving effect to (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of Class B common stock, and excludes:

- 405,286 shares of Class A common stock issuable upon the exercise of a warrant outstanding and exercisable as of March 31, 2010 at an exercise price of $0.005 per share, which will remain outstanding after this offering if not exercised prior to this offering;
- 9,403,200 shares of Class A common stock issuable upon the exercise of stock options outstanding as of March 31, 2010 at a weighted-average exercise price of $2.805 per share; and
- 10,000,000 shares of our Class A common stock that will be available for future issuance under our 2010 stock plan, which will become effective upon the closing of this offering.

To the extent that the warrant or any of the outstanding options are exercised, there will be further dilution to new investors. To the extent the full amount of the warrant and all of such outstanding options had been exercised as of March 31, 2010 , the pro forma net tangible book value of our Class A and Class B common stock would be $2.60 per share, the pro forma as adjusted net tangible book value of our Class A and Class B common stock after this offering would be $ per share, and total dilution to new investors in shares of Class A common stock would be $ per share. If the warrant and all options outstanding as of March 31, 2010 had been exercised in full, new investors would have contributed % of the total consideration paid for our Class A and Class B common stock outstanding but would own only % of our Class A and Class B common stock outstanding after the offering.

If the underwriters exercise their over-allotment option in full, the number of shares held by new investors will increase to , or % of the total number of shares of our Class A and Class B common stock outstanding after this offering.

The sale of shares of Class A common stock to be sold by the selling stockholders in this offering will reduce the number of shares held by existing stockholders to , or % of the total shares of our Class A and Class B common stock outstanding, and will increase the number of shares held by new investors to , or % of the total shares of our Class A and Class B common stock outstanding. If the underwriters exercise their over-allotment option in full, the shares held by existing stockholders will further decrease to , or % of the total shares of our Class A and Class B common stock outstanding, and the number of shares held by new investors will further increase to , or % of the total shares of our Class A and Class B common stock outstanding.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data for the periods presented. You should read the following selected consolidated financial data in conjunction with our consolidated and condensed consolidated financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus.

We derived the consolidated statement of income data for the fiscal years ended December 31, 2007, 2008 and 2009, and the consolidated balance sheet data as of December 31, 2008 and 2009, from our audited consolidated financial statements that are included in this prospectus. We derived the consolidated statement of income data for the fiscal years ended December 31, 2005 and 2006, and the consolidated balance sheet data as of December 31, 2005, 2006 and 2007, from our audited consolidated financial statements that are not included in this prospectus. We derived the consolidated statement of income data for the three months ended March 31, 2009 and 2010 and the consolidated balance sheet data as of March 31, 2009 and March 31, 2010 from our unaudited condensed consolidated financial statements that are included in this prospectus. Our unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and notes thereto and, in the opinion of our management, reflect all adjustments that are necessary for a fair presentation in conformity with GAAP. Our historical results for any prior period are not necessarily indicative of results to be expected for any future period.

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
						(Unaudited)	
	(In thousands, except share and per share data)						
Consolidated Statement of Income Data:							
Revenue:							
Energy efficiency revenue	$ 248,759	$ 264,477	$ 345,936	$ 325,032	$ 340,635	$ 57,228	$ 74,888
Renewable energy revenue	10,970	13,445	32,541	70,822	87,881	16,159	30,741
	259,729	277,922	378,477	395,854	428,517	73,387	105,629
Direct expenses:							
Energy efficiency expenses	202,573	215,320	285,966	259,019	282,345	46,770	62,524
Renewable energy expenses	9,503	9,500	26,072	59,551	66,472	12,924	24,705
	212,076	224,820	312,038	318,570	348,817	59,694	87,230
Gross profit	47,653	53,102	66,439	77,284	79,700	13,693	18,399
Operating expenses	32,637	37,307	47,042	52,608	54,406	13,025	15,836
Operating income	15,016	15,795	19,397	24,676	25,294	667	2,563
Other (expense) income, net	(1,577)	(1,842)	(3,138)	(5,188)	1,563	(24)	(856)
Income before provision for income taxes	13,439	13,953	16,259	19,488	26,857	643	1,707
Income tax provision	(1,223)	(4,337)	(5,714)	(1,215)	(6,950)	(225)	(429)
Net income	$ 12,216	$ 9,615	$ 10,545	$ 18,273	$ 19,907	418	1,278
Net income per share attributable to common shareholders							
Basic	$ 1.07	$ 0.83	$ 0.95	$ 1.71	$ 1.99	$ 0.04	$ 0.10
Diluted	$ 0.33	$ 0.26	$ 0.28	$ 0.54	$ 0.61	$ 0.01	$ 0.03
Weighted-average number of common shares outstanding							
Basic	11,388,793	11,575,789	11,121,022	10,678,110	9,991,912	9,621,351	13,282,284
Diluted	36,786,666	37,667,359	37,552,953	33,990,547	32,705,617	32,957,183	36,587,847
Pro forma net income per share(1)							
Basic					$ 0.68	$ 0.01	$ 0.04
Weighted average number of Class A and Class B common shares used in computing pro forma net income per share(1)					29,251,912	28,881,351	32,542,284
Other Operating Data:							
Adjusted EBITDA(2)	$ 18,254	$ 19,928	$ 27,975	$ 29,045	$ 35,097	$ 2,391	$ 5,145

	As of December 31,					As of March 31,
	2005	2006	2007	2008	2009	2010
						(Unaudited)
	(In thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 11,790	$ 45,454	$ 40,892	$ 18,149	$ 47,928	$ 24,361
Current assets	89,425	140,335	154,036	131,432	171,772	152,315
Total assets	170,050	268,750	262,224	292,027	375,545	382,198
Current liabilities	53,730	91,304	108,011	90,967	132,330	110,227
Long-term debt, less current portion	47,771	74,529	39,316	90,980	102,807	128,374
Subordinated debt	2,999	2,999	2,999	2,999	2,999	2,999
Total stockholders' equity	46,888	56,963	70,776	74,086	102,770	105,160

(1) Pro forma net income per share and pro forma weighted-average shares outstanding give effect to (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris, into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock.

(2) We define adjusted EBITDA as operating income before depreciation and amortization expense, share-based compensation expense and a non-recurring non-cash recovery of a contingency in 2008. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or any other measure of financial performance calculated and presented in accordance with GAAP.

We believe adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons:

- adjusted EBITDA and similar non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, capital structures and the methods by which assets were acquired;
- securities analysts often use adjusted EBITDA and similar non-GAAP measures as supplemental measures to evaluate the overall operating performance of companies; and
- by comparing our adjusted EBITDA in different historical periods, our investors can evaluate our operating results without the additional variations of depreciation and amortization expense, stock-based compensation expense and the non-recurring non-cash recovery of a contingency in 2008.

Our management uses adjusted EBITDA:

- as a measure of operating performance, because it does not include the impact of items that we do not consider indicative of our core operating performance;
- for planning purposes, including the preparation of our annual operating budget;
- to allocate resources to enhance the financial performance of our business;
- to evaluate the effectiveness of our business strategies; and
- in communications with our board of directors and investors concerning our financial performance.

We understand that, although measures similar to adjusted EBITDA are frequently used by investors and securities analysts in their evaluation of companies, adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for GAAP operating income or an analysis of our results of operations as reported under GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or other contractual commitments;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect stock-based compensation expense;
- adjusted EBITDA does not reflect cash requirements for income taxes;
- adjusted EBITDA does not reflect net interest income (expense);
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for these replacements; and
- other companies in our industry may calculate adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

To properly and prudently evaluate our business, we encourage you to review the GAAP financial statements included elsewhere in this prospectus, and not to rely on any single financial measure to evaluate our business.

The following table presents a reconciliation of adjusted EBITDA to operating income, the most comparable GAAP measure:

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
						(Unaudited)	
	(In thousands)						
Operating income	$ 15,016	$ 15,795	$ 19,397	$ 24,676	$ 25,294	667	2,563
Depreciation and impairment	3,238	3,538	5,898	7,278	6,634	1,107	2,143
Stock-based compensation	—	596	2,679	2,941	3,169	617	439
Recovery of contingency	—	—	—	(5,850)	—	—	—
Adjusted EBITDA	$ 18,254	$ 19,928	$ 27,975	$ 29,045	$ 35,097	2,391	5,145

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Ameresco is a leading provider of energy efficiency solutions for facilities throughout North America. We operate in one business segment — providing solutions that enable customers to reduce their energy consumption, lower their operating and maintenance costs and realize environmental benefits. Our comprehensive set of services includes upgrades to a facility's energy infrastructure and the construction and operation of small-scale renewable energy plants.

Our revenue has increased from $20.9 million in 2001, our first full year of operations, to $428.5 million in 2009. We achieved profitability in 2002, and we have been profitable every year since then.

In addition to organic growth, strategic acquisitions of complementary businesses and assets have been an important part of our development. Since inception, we have completed more than ten acquisitions, which have enabled us to broaden our service offerings and expand our geographical reach. Our acquisition of the energy services business of Duke Energy in 2002 expanded our geographical reach into Canada and the southeastern United States and enabled us to penetrate the federal government market for energy efficiency projects. The acquisition of the energy services business of Exelon in 2004 expanded our geographical reach into the Midwest. Our acquisition of the energy services business of Northeast Utilities in 2006 substantially grew our capability to provide services for the federal market and in Europe. Our acquisition of Southwestern Photovoltaics, Inc. in 2007 significantly expanded our offering of solar energy products and services.

Energy Savings Performance and Energy Supply Contracts

For our energy efficiency projects, we typically enter into ESPCs under which we agree to develop, design, engineer and construct a project and also commit that the project will satisfy agreed-upon performance standards that vary from project to project. These performance commitments are typically based on the design, capacity, efficiency or operation of the specific equipment and systems we install. Our commitments generally fall into three categories: pre-agreed, equipment-level and whole building-level. Under a pre-agreed energy reduction commitment, our customer reviews the project design in advance and agrees that, upon or shortly after completion of installation of the specified equipment comprising the project, the commitment will have been met. Under an equipment-level commitment, we commit to a level of energy use reduction based on the difference in use measured first with the existing equipment and then with the replacement equipment. A whole building-level commitment requires demonstration of energy usage reduction for a whole building, often based on readings of the utility meter where usage is measured. Depending on the project, the measurement and demonstration may be required only once, upon installation, based on an analysis of one or more sample installations, or may be required to be repeated at agreed upon intervals generally over up to 20 years.

Under our contracts, we typically do not take responsibility for a wide variety of factors outside our control and exclude or adjust for such factors in commitment calculations. These factors include variations in energy prices and utility rates, weather, facility occupancy schedules, the amount of energy-using equipment in a facility, and failure of the customer to operate or maintain the project properly. Typically, our performance commitments apply to the aggregate overall performance of a project rather than to individual energy efficiency measures. Therefore, to the extent an individual measure underperforms, it may be offset by other measures that overperform. In the event that an energy efficiency project does not perform according to the agreed-upon specifications, our agreements typically allow us to satisfy our obligation by adjusting or modifying the installed equipment, installing additional measures to provide substitute energy savings, or paying the customer for lost energy savings based on the assumed conditions specified in the agreement. Many of our equipment supply, local design, and installation subcontracts contain provisions that enable us to seek recourse against our vendors or subcontractors if there is a deficiency in our energy reduction commitment. From our inception to March 31, 2010, our total payments to customers and incurred equipment replacement and maintenance costs under our energy reduction commitments, after customer acceptance of a project, have been less than $100,000 in the aggregate. See "Risk Factors — We may have liability to our customers under our ESPCs if our projects fail to deliver the energy use reductions to which we are committed under the contract."

Payments by the federal government for energy efficiency measures are based on the services provided and the products installed, but are limited to the savings derived from such measures, calculated in accordance with federal regulatory guidelines and the specific contract's terms. The savings are typically determined by comparing energy use and other costs before and after the installation of the energy efficiency measures, adjusted for changes that affect energy use and other costs but are not caused by the energy efficiency measures.

For projects involving the construction of a small-scale renewable energy plant that we own and operate, we enter into long-term contracts to supply the electricity, processed LFG, heat or cooling generated by the plant to the customer, which is typically a utility, municipality, industrial facility or other large purchaser of energy. The rights to use the site for the plant and purchase of renewable fuel for the plant are also obtained by us under long-term agreements with terms at least as long as the associated output supply agreement. Our supply agreements typically provide for fixed prices or prices that escalate at a fixed rate or vary based on a market benchmark. See "Risk Factors — We may assume responsibility under customer contracts for factors outside our control, including, in connection with some customer projects, the risk that fuel prices will increase."

Project Financing

To finance projects with federal governmental agencies, we typically sell to the lenders our right to receive a portion of the long-term payments from the customer arising out of the project for a purchase price reflecting a discount to the aggregate amount due from the customer. The purchase price is generally advanced to us over the implementation period based on completed work or a schedule predetermined to coincide with the construction of the project. Under the terms of these financing arrangements, we are required to complete the construction or installation of the project in accordance with the contract with our customer, and the debt remains on our consolidated balance sheet until the completed project is accepted by the customer. Once the completed project is accepted by the customer, the financing is treated as a true sale and the related receivable and financing liability are removed from our consolidated balance sheet.

Institutional customers, such as state, provincial and local governments, schools and public housing authorities, typically finance their energy efficiency and renewable energy projects through either tax-exempt leases or issuances of municipal bonds. We assist in the structuring of such third-party financing.

In some instances, customers prefer that we retain ownership of the renewable energy plants and related project assets that we construct for them. In these projects, we typically enter into a long-term supply agreement to furnish electricity, gas, heat or cooling to the customer's facility. To finance the significant upfront capital costs required to develop and construct the plant, we rely either on our internal cash flow or, in some cases, third-party debt. For project financing by third-party lenders, we typically establish a separate subsidiary, usually a limited liability company, to own the project assets and related contracts. The subsidiary contracts with us for construction and operation of the project and enters into a financing agreement directly with the lenders. Additionally, we will provide assurance to the lender that the project will achieve commercial operation. Although the financing is secured by the assets of the subsidiary and a pledge of our equity interests in the subsidiary, and is non-recourse to Ameresco, we may from time to time determine to provide financial support to the subsidiary in order to maintain rights to the project or otherwise avoid the adverse consequences of a default. The amount of such financing is included on our consolidated balance sheet.

In addition to project-related debt, we currently maintain a $50 million revolving senior secured credit facility with a commercial bank to finance our working capital needs.

Effects of Seasonality

We are subject to seasonal fluctuations and construction cycles, particularly in climates that experience colder weather during the winter months, such as the northern United States and Canada, or at educational institutions, where large projects are typically carried out during summer months when their facilities are unoccupied. In addition, government customers, many of which have fiscal years that do not coincide with ours, typically follow annual procurement cycles and appropriate funds on a fiscal-year basis even though contract performance may take more than one year. Further, government contracting cycles can be affected by the timing of, and delays in, the legislative process related to government programs and incentives that help drive demand for energy efficiency and renewable energy projects. As a result, our revenue and operating income in the third quarter are typically higher, and our revenue and operating income in the first quarter are typically lower, than in other quarters of the year. As a result of such fluctuations, we may occasionally experience declines in revenue or earnings as compared to the immediately preceding quarter, and comparisons of our operating results on a period-to-period basis may not be meaningful.

Our annual and quarterly financial results are also subject to significant fluctuations as a result of other factors, many of which are outside our control. See "Risk Factors — Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter."

Backlog and Awarded Projects

As of December 31, 2009, we had backlog of approximately $590 million in future revenue under signed customer contracts for the installation or construction of projects, which we expect to be recognized over the period from 2010 to 2013, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $700 million over the same period. As of December 31, 2008, we had backlog of approximately $263 million in future revenue under signed customer contracts for the installation or construction of projects, which we expected to be recognized over the period from 2009 to 2011, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $939 million over the period from 2009 to 2013. We also expect to realize recurring revenue both under long-term O&M contracts and under energy supply contracts for renewable energy plants that we own. See "Risk Factors — We may not recognize all revenue from our backlog or receive all payments anticipated under awarded projects and customer contracts."

Financial Operations Overview

Revenue

We derive revenue from energy efficiency and renewable energy products and services. Our energy efficiency products and services include the design, engineering and installation of equipment and other measures to improve the efficiency and control the operation of a facility's energy infrastructure. Our renewable energy products and services include the construction of small-scale plants that produce electricity, gas, heat or cooling from renewable sources of energy, the sale of such electricity, processed LFG, heat or cooling from plants that we own, and the sale and installation of solar energy products and systems.

While in any particular quarter a single customer may account for more than ten percent of revenue, in 2007, 2008 and 2009, no customer accounted for more than ten percent of our revenue. During the quarter ended March 31, 2010, one customer, the U.S. Department of Energy, Savannah River Site, accounted for 14.1% of our total revenue for the quarter.

Direct Expenses and Gross Margin

Direct expenses include the cost of labor, materials, equipment, subcontracting and outside engineering that are required for the development and installation of our projects, as well as preconstruction costs, sales incentives, associated travel, inventory obsolescence charges, and, if applicable, costs of procuring financing. A majority of our contracts have fixed price terms; however, in some cases we negotiate protections, such as a cost-plus structure, to mitigate the risk of rising prices for materials, services and equipment.

Direct expenses also include O&M costs for the small-scale renewable energy plants that we own, including the cost of fuel (if any) and depreciation charges.

Gross margin, which is gross profit as a percent of revenue, is affected by a number of factors, including the type of services performed and the geographic region in which the sale is made. Renewable energy projects that we own and operate typically have higher margins than energy efficiency projects, and sales in the United States typically have higher margins than in Canada due to the typical mix of products and services that we sell there.

Operating Expenses

Operating expenses consist of salaries and benefits, project development costs, and general, administrative and other expenses.

Salaries and benefits. Salaries and benefits consist primarily of expenses for personnel not directly engaged in specific project or revenue generating activity. These expenses include the time of executive management, legal, finance, accounting, human resources, information technology and other staff not utilized in a particular project. We employ a comprehensive time card system which creates a contemporaneous record of the actual time by employees on project activity. We expect salaries and benefits to increase as we incur additional costs related to operating as a publicly-traded company, including accounting, compliance and legal.

Project development costs. Project development costs consist primarily of sales, engineering, legal, finance and third-party expenses directly related to the development of a specific customer opportunity. This also includes associated travel and marketing expenses. We intend to hire additional sales personnel and initiate additional marketing programs as we expand into new regions or complement existing development resources. Accordingly, we expect that our project development costs will continue to increase, but will moderate as a percentage of revenue over time.

General, administrative and other expenses. These expenses consist primarily of rents and occupancy, professional services, insurance, unallocated travel expenses, telecommunications and office expenses. Professional services consist principally of recruiting costs, external legal, audit, tax and other consulting services. We expect general and administrative expenses to increase as we incur additional costs related to operating as a publicly-traded company, including increased audit and legal fees, costs of compliance with securities, corporate governance and other regulations, investor relations expenses and higher insurance premiums, particularly those related to director and officer insurance.

Other Income (Expense), net

Other income (expense), net consists primarily of interest income on cash balances, interest expense on borrowings and amortization of deferred financing costs, unrealized gains and losses on derivatives not accounted for as hedges, and realized gains on derivatives not accounted for as hedges. Interest expense will vary periodically depending on the amounts drawn on our revolving senior secured credit facility and the prevailing short-term interest rates.

Provision for Income Taxes.

The provision for income taxes is based on various rates set by federal and local authorities and is affected by permanent and temporary differences between financial accounting and tax reporting requirements.

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expense and related disclosures. The most significant estimates with regard to these consolidated financial statements relate to estimates of final contract profit in accordance with long-term contracts, project development costs, project assets, impairment of goodwill, impairment of long-lived assets, fair value of derivative financial instruments, income taxes and stock-based compensation expense. Such estimates and assumptions are based on historical experience and on various other factors that management believes to be reasonable under the circumstances. Estimates and assumptions are made on an ongoing basis, and accordingly, the actual results may differ from these estimates under different assumptions or conditions.

The following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

For each arrangement we have with a customer, we typically provide a combination of one or more of the following services or products:

- installation or construction of energy efficiency measures, facility upgrades and/or a renewable energy plant to be owned by the customer;
- sale and delivery, under long-term agreements, of electricity, gas, heat, chilled water or other output of a renewable energy or central plant that we own and operate;
- sale and delivery of PV equipment and other renewable energy products for which we are a distributor; and
- O&M services provided under long-term O&M agreements, as well as consulting services.

Often, we will sell a combination of these services and products in a bundled arrangement. We divide bundled arrangements into separate deliverables and revenue is allocated to each deliverable based on the relative fair market value of all the elements. The fair market value is determined based on the price of the deliverable sold on a stand-alone basis.

We recognize revenue from the installation or construction of a project on a percentage-of-completion basis. The percentage-of-completion for each project is determined on an actual cost-to-estimated final cost basis. In accordance with industry practice, we include in current assets and liabilities the amounts of receivables related to construction projects that are payable over a period in excess of one year. We recognize revenue associated with contract change orders only when the authorization for the change order has been properly executed and the work has been performed and accepted by the customer.

When the estimate on a contract indicates a loss, or claims against costs incurred reduce the likelihood of recoverability of such costs, our policy is to record the entire expected loss immediately, regardless of the percentage of completion.

Deferred revenue represents circumstances where (i) there has been a receipt of cash from the customer for work or services that have yet to be performed, (ii) receipt of cash where the product or service may not have been accepted by the customer or (iii) when all other revenue recognition criteria have been met, but an estimate of the final total cost cannot be determined. Deferred revenue will vary depending on the timing and amount of cash receipts from customers and can vary significantly depending on specific contractual terms. As a result, deferred revenue is likely to fluctuate from period to period. Unbilled receivables represent amounts earned and billable that were not invoiced at the end of the fiscal period.

We recognize revenue from the sale and delivery of products, including the output of our renewable energy plants, when produced and delivered to the customer, in accordance with the specific contract terms, provided that persuasive evidence of an arrangement exists, our price to the customer is fixed or determinable and collectibility is reasonably assured.

We recognize revenue from O&M contracts and consulting services as the related services are performed.

For a limited number of contracts under which we receive additional revenue based on a share of energy savings, we recognize such additional revenue as energy savings are generated.

Project Development Costs

We capitalize as project development costs only those costs incurred in connection with the development of energy efficiency and renewable energy projects, primarily direct labor, interest costs, outside contractor services, consulting fees, legal fees and associated travel, if incurred after a point in time when the realization of related revenue becomes probable. Project development costs incurred prior to the probable realization of revenue are expensed as incurred.

Project Assets

We capitalize interest costs relating to construction financing during the period of construction. The interest capitalized is included in the total cost of the project at completion. The amount of interest capitalized for the years ended December 31, 2007, 2008 and 2009 were $0, $0.2 million and $1.4 million, respectively, and for the first quarters of 2009 and 2010 were $0.3 million and $0.3 million respectively.

Routine maintenance costs are expensed in the current year's consolidated statements of income and comprehensive income to the extent that they do not extend the life of the asset. Major maintenance, upgrades and overhauls are required for certain components of our assets. In these instances, the costs associated with these upgrades are capitalized and are depreciated over the shorter of the life of the asset or until the next required major maintenance or overhaul period. Gains or losses on disposal of property and equipment are reflected in general and administrative expenses in the consolidated statements of income and comprehensive income.

We evaluate our long-lived assets for impairment as events or changes in circumstances indicate the carrying value of these assets may not be fully recoverable. We evaluate recoverability of long-lived assets to be held and used by estimating the undiscounted future cash flows before interest associated with the expected uses and eventual disposition of those assets. When these comparisons indicate that the carrying value of those assets is greater than the undiscounted cash flows, we recognize an impairment loss for the amount that the carrying value exceeds the fair value.

During 2008, we determined that impairment had incurred on two of our LFG energy facilities. One facility's landfill owner was experiencing permanent operational issues with its existing well field equipment. The volume of LFG supplied to our facility was impaired by this factor, resulting in a write-down of the asset value. The second facility's industrial customer filed for bankruptcy in 2008. We assessed the likelihood of the industrial customer emerging from bankruptcy and the resulting impact on future cash flows to the project in determining the amount of the impairment. A total of $3.5 million was written down for these two facilities, and is included in direct expenses in the accompanying consolidated statement of income and comprehensive income for 2008.

During 2007, we decommissioned one of our LFG facilities as the supply agreement with the local utility company expired in December 2006. During 2007, the plant was temporarily shut down. The plant equipment had been in service for 20 years and the cost of maintaining the aged equipment was economically unfeasible. The remaining book value of $2.0 million was written off, and is included in direct expenses in the accompanying consolidated statement of income and comprehensive income for 2007.

Impairment of Goodwill

We apply ASC Topic 350 in accounting for the valuation of goodwill and identifiable intangible assets. During our annual goodwill impairment tests at December 31, 2009, 2008 and 2007, we determined that the fair value of equity exceeded the carrying value of equity, and therefore that goodwill was not impaired.

Goodwill represents the excess of cost over the fair value of net tangible and identifiable intangible assets of businesses acquired. We assess the impairment of goodwill and intangible assets with indefinite lives on an annual basis and whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. We would record an impairment charge if such an assessment were to indicate that, more likely than not, the fair value of such assets was less than their carrying values. Judgment is required in determining whether an event has occurred that may impair the value of goodwill or identifiable intangible assets. Factors that could indicate that an impairment may exist include significant underperformance relative to plan or long-term projections, significant changes in business strategy, significant negative industry or economic trends or a significant decline in the base stock price of our public competitors for a sustained period of time.

The first step, or Step 1, of the goodwill impairment test, used to identify potential impairment, compares the fair value of the equity with its carrying amount, including goodwill. If the fair value of the equity exceeds its carrying amount, goodwill of the reporting unit is considered not impaired, thus the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test shall be performed to measure the amount of impairment loss, if any. We performed a Step 1 test at our December 31, 2009, 2008 and 2007 annual testing dates and determined that the fair value of equity exceeded the carrying value of equity, and therefore that goodwill was not impaired.

We completed the Step 1 test using both an income approach and a market approach. The discounted cash flow method was used to measure the fair value of our equity under the income approach. A terminal value utilizing a constant growth rate of cash flows was used to calculate a terminal value after the explicit projection period. Determining the fair value using a discounted cash flow method requires that we make significant estimates and assumptions, including long-term projections of cash flows, market conditions and appropriate discount rates. Our judgments are based upon historical experience, current market trends, pipeline for future sales and other information. While we believe that the estimates and assumptions underlying the valuation methodology are reasonable, different estimates and assumptions could result in a different outcome. In estimating future cash flows, we rely on internally-generated projections for a defined time period for sales and operating profits, including capital expenditures, changes in net working capital and adjustments for non-cash items to arrive at the free cash flow available to invested capital.

Under the market approach, we estimate the fair value based on market multiples of revenue and earnings of comparable publicly-traded companies and comparable transactions of similar companies. The estimates and assumptions used in our calculations include revenue growth rates, expense growth rates, expected capital expenditures to determine projected cash flows, expected tax rates and an estimated discount rate to determine present value of expected cash flows. These estimates are based on historical experiences, our projections of future operating activity and our weighted-average cost of capital.

In addition, we periodically review the estimated useful lives of our identifiable intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value or revised useful life. If the Step 1 test concludes an impairment is indicated, we will employ a second step to measure the impairment. If we determine that an impairment has occurred, we will record a write-down of the carrying value and charge the impairment as an operating expense in the period the determination is made. Although we believe goodwill and intangible assets are appropriately stated in our consolidated financial statements, changes in strategy or market conditions could significantly impact these judgments and require an adjustment to the recorded balance.

Impairment of Long-Lived Assets

We periodically evaluate long-lived assets for events and circumstances that indicate a potential impairment. A review of long-lived assets for impairment is performed whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Each impairment test is based on a comparison of the estimated undiscounted cash flows of the asset as compared to the recorded value of the asset. If these estimates or their related assumptions change in the future, an impairment charge may be required against these assets in the reporting period in which the impairment is determined.

Derivative Financial Instruments

We account for our interest rate swaps as derivative financial instruments in accordance with the related guidance. Under this guidance, derivatives are carried on our consolidated balance sheet at fair value. The fair value of our interest rate swaps is determined based on observable market data in combination with expected cash flows for each instrument.

Effective January 1, 2009, we adopted new guidance which expands the disclosure requirements for derivative instruments and hedging activities.

In the normal course of business, we utilize derivative contracts as part of our risk management strategy to manage exposure to market fluctuations in interest rates. These instruments are subject to various credit and market risks. Controls and monitoring procedures for these instruments have been established and are routinely reevaluated. Credit risk represents the potential loss that may occur because a party to a transaction fails to perform according to the terms of the contract. The measure of credit exposure is the replacement cost of contracts with a positive fair value. We seek to manage credit risk by entering into financial instrument transactions only through counterparties that we believe to be creditworthy. Market risk represents the potential loss due to the decrease in the value of a financial instrument caused primarily by changes in interest rates. We seek to manage market risk by establishing and monitoring limits on the types and degree of risk that may be undertaken. As a matter of policy, we do not use derivatives for speculative purposes.

We did not apply hedge accounting based upon the criteria established by the related guidance as we did not designate our derivatives as cash flow hedges. We recognize all derivatives in our consolidated financial statements at fair value. Cash flows from derivative instruments are reported as operating activities on the statements of cash flows.

We are exposed to interest rate risk through our borrowing activities. A portion of our project financing includes two projects that utilize a variable rate swap instrument. During 2007, we entered into two 15-year interest rate swap contracts under which we agreed to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to, in turn, receive an amount equal to a specified variable rate of interest times the same notional principal amount. We entered into the interest rate swap contracts as an economic hedge.

With respect to our interest rate swaps, we recorded the unrealized gain (loss) in earnings in 2007, 2008, 2009 and the first quarter of 2010 of approximately $(1.4 million), $(2.8 million), $2.3 million and $(0.1 million), respectively, as other (expense) income in our consolidated statements of income and comprehensive income.

Income Taxes

We provide for income taxes based on the liability method. We provide for deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities calculated using the enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return.

We account for uncertain tax positions using a “more-likely-than-not” threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors that include, but are not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. We evaluate uncertain tax positions on a quarterly basis and adjust the level of the liability to reflect any subsequent changes in the relevant facts surrounding the uncertain positions. Our liabilities for an uncertain tax position can be relieved only if the contingency becomes legally extinguished through either payment to the taxing authority or the expiration of the statute of limitations, the recognition of the benefits associated with the position meet the “more-likely-than-not” threshold or the liability becomes effectively settled through the examination process. We consider matters to be effectively settled once: the taxing authority has completed all of its required or expected examination procedures, including all appeals and administrative reviews; we have no plans to appeal or litigate any aspect of the tax position; and we believe that it is highly unlikely that the taxing authority would examine or re-examine the related tax position. We also accrue for potential interest and penalties, related to unrecognized tax benefits in income tax expense.

Stock-Based Compensation Expense

Our stock-based compensation expense results from the issuances of shares of restricted common stock and grants of stock options and warrants to employees, directors, outside consultants and others. We recognize the costs associated with option and warrant grants using the fair value recognition provisions of ASC 718, Compensation — Stock Compensation (formerly SFAS No. 123(R), Share-Based Payment). Generally, ASC 718 requires the value of all stock-based payments to be recognized in the statement of operations based on their estimated fair value at date of grant amortized over the grants’ vesting period.

Grants of Restricted Shares

On October 25, 2006, we issued 2,000,000 shares of restricted stock to our principal shareholder under the 2000 stock plan in consideration for his personal indemnity of surety arrangements required for certain projects. The shares vested in full upon the date three years from the date of grant. At the time the shares were issued, the fair value was determined to be $3.41 per share. We recorded an expense of $2.3 million, $2.3 million and $1.9 million in 2007, 2008 and 2009, respectively, related to this award. This expense is included in salaries and benefits in our consolidated statements of income and comprehensive income.

Issuance of Warrants

As part of a financing agreement, we issued warrants to acquire 2,000,000 and 1,600,000 shares of common stock in 2001 and 2002. The warrants initially had a per share exercise price of $0.005 and $0.30, respectively; however the $0.30 per share exercise price was subsequently reduced to $0.005. The holders of the warrants are entitled to receive a proportionate share of any distributions made to holders of the common stock. The warrants expire on June 29, 2011 if unexercised.

During 2008, we repurchased 3,194,714 of these warrants at an average price of $2.505 per share, for a total price of $8.0 million. We recorded this transaction in additional paid-in capital and it is reflected in our consolidated balance sheets for 2008 and 2009.

Stock Option Grants

We have granted stock options to certain employees and directors under the 2000 stock plan. At March 31, 2010, 8,492,600 shares were available for grant under the 2000 stock plan.

Under the terms of the 2000 stock plan, all options expire if not exercised within ten years after the grant date. The options vest over five years, with 20% vesting at the end of the first year and five percent vesting every three months beginning one year after the grant date. If the employee ceases to be employed for any reason before vested options have been exercised, the employee generally has three months to exercise vested options or they are forfeited.

Effective January 1, 2006, we adopted the fair value recognition provisions of ASC 718 requiring that all stock-based payments to employees, including grants of employee stock options and modifications to existing stock options, be recognized in the consolidated statements of income and comprehensive income based on their fair values, using the prospective-transition method.

Effective with the adoption of ASC 718, we elected to use the Black-Scholes option pricing model to determine the weighted-average fair value of options granted.

The determination of the fair value of stock-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The following table sets forth the significant assumptions used in the model during 2007, 2008 and 2009:

	Year Ended December 31,		
	2007	2008	2009
Future dividends	$ —	$ —	$ —
Risk-free interest rate	4.26-4.84%	2.90-5.07%	2.00-2.94%
Expected volatility	32-43%	48-54%	57-59%
Expected life	6.5 years	6.5 years	6.5 years

We will continue to use our judgment in evaluating the expected term, volatility and forfeiture rate related to our own stock-based compensation on a prospective basis, and incorporating these factors into the Black-Scholes pricing model. Higher volatility and longer expected lives result in an increase to stock-based compensation expense determined at the date of grant. In addition, any changes in the estimated forfeiture rate can have a significant effect on reported stock-based compensation expense, as the cumulative effect of adjusting the rate for all expense amortization is recognized in the period that the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in our consolidated financial statements. If a revised forfeiture rate is lower than the previously estimated rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in our consolidated financial statements. These expenses will affect our direct expenses, project development and marketing expenses, and salaries and benefits expense.

As of March 31, 2010 we had $6.3 million of total unrecognized stock-based compensation cost related to employee stock options. We expect to recognize this cost over a weighted-average period of 3.8 years after March 31, 2010. The allocation of this expense between direct expenses, project development and marketing expenses, and salaries and benefits expense will depend on the salaries and work assignments of the personnel holding these options.

Determination of Fair Value

We believe we have used reasonable methodologies and assumptions in determining the fair value of our common stock for financial reporting purposes. Our board of directors has historically estimated the fair value of our common stock. Because there has been no public market for our shares, our board of directors historically determined the fair value of our common stock based primarily on the market approach, together with a number of objective and subjective factors, including:

- our results of operations and financial condition during the most recently completed period;
- forecasts of our financial results and market conditions affecting our business; and
- developments in our business

The market approach estimates the fair value of a company by applying market multiples of publicly-traded, or recently-acquired, firms in the same or similar lines of business to the results and projected results of the company being valued. In establishing exercise prices for our options, we followed a methodology designed to result in exercise prices that were not lower than, but could be higher than, the then fair value of our common stock. When choosing companies for use in the market approach, we focused on companies that provide energy efficiency services and have high rates of growth. To determine our enterprise value, we reviewed the multiple of market valuations of the comparable companies to their adjusted EBITDA for the prior fiscal year (based on publicly-available data), as well as the multiples of adjusted EBITDA for the prior fiscal year paid by us for our acquisitions. Based on this review, we established a market multiple which was generally higher than that of our comparable companies, and which we then applied to our own adjusted EBITDA for the prior fiscal year. To determine equity value, we added cash on hand at the end of the period and the cash from the pro forma exercise of stock options, and then subtracted senior corporate debt. The resulting value was divided by the number of common shares outstanding on a fully diluted basis to obtain the fair value per share of common stock. Typically, we performed a new valuation annually after completing our audited consolidated financial statements.

We used adjusted EBITDA in determining our enterprise value under the market approach because we believe that metric provides greater comparability than other metrics for the companies included in the analysis. We considered using net income, book value and cash flow; however, we found those metrics less meaningful than adjusted EBITDA due to varying levels of non-cash and non-operating income and expenses, and the effects of leverage, in the other companies' financial statements. We believe adjusted EBITDA was the most meaningful financial metric for purposes of estimating the fair value of our common stock for financial statement reporting purposes because it is an unlevered measure of operating earnings potential before financing and certain other accounting decisions are considered. In addition to the use of the market approach to determine the enterprise value, we considered the discounted cash flow methodology to estimate the equity value in the goodwill impairment analysis discussed on page F-11. The resulting equity values obtained from the discounted cash flow methodology corroborated the results of the market approach used in our contemporaneous common stock valuations.

Since the beginning of 2007, we granted stock options with exercise prices as follows:

Grant Date or Period	Number of Shares of Common Stock Subject to Option Grants	Exercise Price per Share
January 24, 2007	500,000	$ 3.41
July 25, 2007 to January 30, 2008	982,000	4.22
April 30, 2008 to January 28, 2009	248,000	6.055
July 22, 2009 to September 30, 2009	842,000	6.055
April 26, 2010	836,000	13.045

The analyses undertaken in determining the exercise prices for all option grants between January 24, 2007 and December 31, 2009 are summarized below.

Grants on January 24, 2007. On October 25, 2006, our board of directors established the exercise price per share of common stock at $3.41 per share. The market approach resulted in an enterprise value of $144.6 million, determined by applying the market multiple to our adjusted EBITDA for the year ended December 31, 2005. That value was increased by cash on hand totaling $10.5 million and reduced by debt of $11.8 million, for an equity value of $145.9 million. The equity value was divided by 42.8 million fully diluted shares outstanding to arrive at the estimated fair value per share.

Grants from July 25, 2007 to January 30, 2008. On July 25, 2007, our board of directors established the exercise price per share of common stock at $4.22 per share. The market approach resulted in an enterprise value of $157.9 million, determined by applying the market multiple to our adjusted EBITDA for the year ended December 31, 2006. That value was increased by cash on hand totaling $43.5 million and reduced by debt of $8.0 million, for an equity value of $195.3 million. The equity value was divided by 46.2 million fully diluted shares outstanding to arrive at the estimated fair value per share.

Grants from April 30, 2008 to January 28, 2009. On April 30, 2008, our board of directors established the exercise price per share of common stock at $6.055 per share. The market approach resulted in an enterprise value of $223.6 million, determined by applying the market multiple to our adjusted EBITDA for the year ended December 31, 2007. That value was increased by cash on hand totaling $43.5 million and reduced by debt of $8.0 million. In view of the increase in the number of options outstanding, we added the pro forma exercise cash value of the options, at a weighted-average exercise price of $1.995 per share, totaling $21.7 million. This resulted in an equity value of $280.7 million, which was divided by 46.4 million fully diluted shares outstanding to arrive at the estimated fair value per share.

Grants from July 22, 2009 to September 30, 2009. On July 22, 2009, our board of directors established the exercise price per share of common stock at $6.055 per share. Based on the methodology described above, our board would have decreased the value of a share of our common stock (from $6.055 to $5.66). However, the decrease was due primarily to higher corporate debt levels and a lower cash balance, which in our board's view were the result primarily of the unprecedented economic conditions prevailing at that time. Our board, therefore, determined not to reduce its estimate of the fair value of the common stock and to maintain the value at $6.055 per share.

In March 2010, in connection with the preparation of our consolidated financial statements for the year ended December 31, 2009 and in preparing for our initial public offering, our board of directors decided to undertake a reassessment of the fair value of our common stock in 2007, 2008 and 2009. As a part of that reassessment, our board of directors took into account not only the factors it originally considered in determining fair value, but it also considered as of such dates:

- the liquidation preferences of our preferred stock, including any financing and repurchase activities that may have occurred in the relevant period;
- the illiquid nature of our common stock, including the opportunity and timing for any expected liquidity events;
- our size and historical operating and financial performance, including our recent operating and financial projections as of each grant date;
- our existing backlog;
- important events in the development of our business; and
- the market performance of a peer group comprised of selected publicly-traded companies we identified as being guidelines for us.

In performing this retrospective analysis, we reexamined and reapplied the market approach and also applied the current value method to allocate the equity to the various share classes as outlined in the American Institute of Certified Public Accountants Technical Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation, which we refer to as the practice aid. We believe that the valuation methodologies used in the retrospective analysis are reasonable and consistent with the practice aid.

In applying the current value method, we considered the rights of our Series A convertible preferred stock, which we refer to as our Series A preferred stock, and which will be converted into shares of Class B common stock upon the closing of this offering. The calculated enterprise value as of each of the valuation dates was significantly higher than the cumulative liquidation preference of our Series A preferred stock of $3.2 million. We also determined that in each valuation date, the Series A preferred stock would receive a substantially higher per share value on an "as if" converted to common stock basis than by retaining its liquidation preference. Thus for the purposes of these valuations the total equity value was divided by the fully diluted shares outstanding in order to calculate the per share value of our common stock.

In connection with this retrospective analysis, in determining our enterprise value, our analysis also considered the calculated multiple of market valuations of the comparable companies to their next 12 months adjusted EBITDA, and applied this multiple to our own next 12 months projected adjusted EBITDA, in addition to considering the enterprise value to trailing 12 months adjusted EBITDA, with more weight placed on our projected EBITDA analysis than the historical adjusted EBITDA analysis. To determine equity value, we added cash on hand at the end of the period and the cash from the assumed pro forma exercise of in-the-money stock options, and then subtracted senior corporate debt. To allocate the equity, we considered the option pricing method from the practice aid. In connection with applying the option pricing method to value our common stock for these valuation dates, we determined that allocating the equity based on applying the option pricing method instead of the current value method in the contemporaneous valuations resulted in immaterial differences from the per share value calculated using the current value method.

Following this retrospective analysis, our board of directors determined that the fair value of our common stock remained as previously determined in 2007, 2008 and on January 28, 2009, and that the fair value was $9.00 per share on July 22, 2009 and $11.00 per share on September 25, 2009, as described below.

January 28, 2009 Fair Value Calculation. The fair value of our common stock as of January 28, 2009 was retrospectively determined to be $6.055 per share. In applying the market approach, our next 12 months projected adjusted EBITDA was primarily affected by the following factors:

- continued challenges during 2008 in the U.S. economy and decreased valuations of comparable companies; and
- concerns about liquidity during the upcoming fiscal quarters.

July 22, 2009 Fair Value Calculation. The fair value of our common stock as of July 22, 2009 was retrospectively determined to be $9.00 per share. The primary reason for the significant increase in the valuation of our common stock between January 28, 2009 and July 22, 2009 was the 11% increase in our next 12 months projected adjusted EBITDA between those two dates. Our projected adjusted EBITDA in July 2009 had increased significantly for the following reasons:

- we were notified in March 2009 that the U.S. Department of Energy had lifted restrictions on its ability to enter into ESPCs, which permitted us to proceed with the execution of larger federal contracts;
- in May 2009, we executed a contract for our large U.S. Department of Energy Savannah River Site renewable energy project; however, we had not yet secured the financing necessary to complete this project; and
- improvement in general economic and market conditions in the first half of 2009.

The valuation of our common stock in July 2009 was also significantly affected by an increase, between January 2009 and July 2009, in the multiple of market valuations of comparable companies that we applied to our next 12 months projected adjusted EBITDA. The multiple we applied in this analysis in January 2009, derived from publicly available data on the comparable companies we used in the market approach, was eight. We increased the multiple we applied to ten in July 2009, due primarily to the improvement in the public equity markets during this period.

In addition, this determination took into account our expectation that we would undertake an initial public offering within one year.

September 25, 2009 Fair Value Calculation. The fair value of our common stock as of September 25, 2009 was retrospectively determined to be $11.00 per share. The primary reason for the increase in the valuation of our common stock between July 22, 2009 and September 25, 2009 was the 17% increase in our next 12 months projected adjusted EBITDA between those two dates. Our next 12 months projected adjusted EBITDA in September 2009 had increased from our next 12 months projected adjusted EBITDA in July 2009, for the following reasons:

- our backlog under signed customer contracts increased from July 2009 to September 2009;
- in August 2009, we secured the financing necessary to complete our large U.S. Department of Energy Savannah River Site renewable energy project, the contract for which had been executed in May 2009 but was subject to our securing that financing. Securing this financing represented

a significant milestone for us, particularly in light of its size and the significant disruptions in the credit and capital markets in the preceding several years; and

- improvement in general economic and market conditions in the third quarter of 2009.

The valuation of our common stock in September 2009 was also affected by an increase, between July 2009 and September 2009, in the multiple of market valuations of comparable companies that we applied to our next 12 months projected adjusted EBITDA. The multiple we applied in this analysis in July 2009, derived from publicly available data on the comparable companies we used in the market approach, was 10. We increased the multiple we applied to 11 in September 2009, due primarily to the improvement in the public equity markets during this period.

Our determination of fair market value in September 2009 also took into account our expectation that we would undertake an initial public offering within nine months.

We have incorporated the fair values calculated in the retrospective valuations into the Black-Scholes option pricing model when calculating the stock-based compensation expense to be recognized for the stock options granted during the period from July through September 2009. The retrospective valuations generated per share fair values of common stock of $9.00 and $11.00, respectively, at July 22, 2009 and September 25, 2009. This resulted in intrinsic values of $2.945 and $4.945 per share, respectively, at each grant date.

April 26, 2010 Fair Value Calculation. The fair value of our common stock as of April 26, 2010 was determined contemporaneously to be $13.045 per share. In determining this value, we employed the same methods and approaches used in the retrospective analyses described above. The primary reasons for the increase in the valuation of our common stock between September 25, 2009 and April 26, 2010 were:

- a 30% increase in our next 12 months projected adjusted EBITDA between those two dates, due to growth in our backlog and several, previously-contracted, large efficiency and renewable energy projects entering major construction phases;
- our expectation that we would conduct an initial public offering within the next three months; and
- our preliminary estimates of our valuation for purposes of this offering.

Valuation models require the input of highly subjective assumptions. There are significant judgments and estimates inherent in the determination of these valuations. These judgments and estimates include assumptions regarding our future performance, the time to undertaking and completing an initial public offering or other liquidity event, as well as determinations of the appropriate valuation methods. If we had made different assumptions, our stock-based compensation expense, net income and net income per share could have been significantly different. Additionally, because our capital stock prior to this offering had characteristics significantly different from that which will apply upon the closing of this offering, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable, single measure of fair value. The foregoing valuation methodologies are not the only valuation methodologies available and will not be used to value our Class A or Class B common stock once this offering is complete. We cannot make assurances regarding any particular valuation of our shares.

Internal Control Over Financial Reporting

We had a material weakness in our internal control over financial reporting in each of 2007, 2008 and 2009. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis by the company's internal controls. We do not currently have personnel with an appropriate level of knowledge, experience and training in the selection, application and implementation of GAAP as it relates to certain complex accounting issues, income taxes and SEC financial reporting requirements. This constitutes a material weakness, which we plan to remediate by hiring additional personnel with the requisite expertise. See "Risk Factors — We have a material weakness in our internal control over financial reporting. If we fail to establish and maintain proper and effective internal controls, our ability to produce accurate financial statements could be impaired, which could adversely affect our operating results, our ability to operate our business and investors' and customers' views of us."

Results of Operations

Three Months Ended March 31, 2010 and 2009

Revenue

Total revenue. Total revenue increased by $32.2 million, or 43.9%, in the first quarter of 2010 compared to the first quarter of 2009 due to higher revenue from both energy efficiency and renewable energy.

Energy efficiency revenue. Energy efficiency revenue increased by $17.6 million, or 30.9%, in the first quarter of 2010 compared to the first quarter of 2009 due to an increase in the number of projects being installed for our municipal and other institutional customers.

Renewable energy revenue. Renewable energy revenue increased by $14.6 million, or 90.2%, in the first quarter of 2010 compared to the first quarter of 2009. The increase was primarily due to the greater number of renewable energy facilities being built by us for our customers. Construction volume of such plants increased by $12.5 million in the first quarter of 2010. Additionally, during the first quarter of 2010, we placed in service nine new facilities owned by us that sell to our customers electricity generated from LFG or solar energy or provide for delivery of LFG. Partially offsetting this increase in revenue was a decline in sales of PV systems and components as declining market prices and shifting demand continue to impact the market for these products.

Revenue from customers outside the United States, principally Canada, was $18.7 million in the first quarter of 2010 compared to $13.9 million in the first quarter of 2009.

Direct Expenses and Gross Profit

Total direct expenses. Direct expenses increased by $27.5 million, or 46.1%, in the first quarter of 2010 compared to the first quarter of 2009. Lower gross profit margins in the first quarter of 2010 caused direct expenses to increase at a greater rate than revenue.

Energy efficiency. Energy efficiency gross margin decreased to 16.5% in the first quarter of 2010 from 18.3% in the same period in 2009. The decrease was primarily due to our recognition of additional profit in the first quarter of 2009 on certain of our construction projects that we were able to complete at total costs below their construction budget.

Renewable energy. Renewable energy gross margin declined to 19.6% in the first quarter of 2010 from 20.0% in the first quarter of 2009 due to additional costs required to bring certain facilities for federal customers into operation.

Operating Expenses

Salaries and benefits. Salaries and benefits increased by $2.1 million, or 34.5%, in the first quarter of 2010 as compared with the first quarter of 2009. This was primarily due to the increased headcount necessary to manage our expectation of an increase in our business activity in fiscal 2010 and beyond.

Project development. Project development expenses increased by $0.4 million, or 14.3%, in the first quarter of 2010 compared to the first quarter of 2009. The higher expenses reflected our efforts to increase proposal activity and to finalize the contracts related to awarded projects.

General, administrative and other. General, administrative and other expenses increased by $0.3 million, or 7.8%, in first quarter of 2010 compared to the first quarter of 2009, as we incurred higher costs for office-related expenses, corporate franchise fees, and expenses related to the hiring of temporary employees.

Other Income (Expense)

Other income (expense) decreased by $0.8 million to a net expense of $0.9 million in the first quarter of 2010 from a net expense of $24,000 in the first quarter of 2009. The decrease was due primarily to changes in the unrealized loss on derivatives. The following table presents the changes in other income (expense) from the first quarter of 2009 to the first quarter of 2010:

	2009	2010
	(In thousands)	
Unrealized gain (loss) from derivatives	$ 682	$ (134)
Interest expense, net of interest income	(641)	(652)
Amortization of deferred financing costs	(65)	(70)
	$ (24)	$ (856)

Income Before Taxes

Income before taxes for the first quarter of 2010 increased to $1.7 million from $0.6 million for the first quarter of 2009. The increase was primarily due to higher gross profit, which was partially offset by increases in operating expenses and other net expenses.

Provision for Income Taxes

The provision for income taxes increased by $0.2 million to $0.4 million in the first quarter of 2010 from $0.2 million for the first quarter of 2009. The effective tax rate decreased to 25.2% for the first quarter of 2010 from 35.0% in the first quarter of 2009. The rate variance between the periods is due mainly to a change in permanent items from 2009 to 2010. The principal difference between the statutory rate and the effective rate was due to deductions permitted under Section 179(d) of the Code, which relate to the installation of certain energy efficiency equipment in federal, state, provincial and local government-owned buildings, as well as production tax credits to which we are entitled from the electricity generated by certain plants that we own.

Net Income

Net income increased by $0.9 million, or 206%, in the first quarter of 2010 to $1.3 million, compared to $0.4 million in the first quarter of 2009, due to higher pre-tax income, which was partially offset by an increase in the tax provision. Earnings per share in the first quarter of 2010 were $0.10 per basic share and $0.03 per diluted share, representing an increase of $0.06 and $0.02, respectively, from the first quarter of 2009. The weighted-average number of basic and diluted shares outstanding increased by 38.1% and 11.0%, respectively, as a result of the vesting of restricted shares, exercise of stock options, and the grant of new stock options.

Years Ended December 31, 2009, 2008 and 2007

Revenue

Total revenue. Total revenue increased by $32.6 million, or 8.3%, from 2008 to 2009, due primarily to an increase in energy efficiency revenue and, to a lesser extent, an increase in renewable energy revenue. Total revenue increased by $17.4 million, or 4.6%, from 2007 to 2008 due to an increase in renewable energy revenue, offset in part by a decrease in energy efficiency revenue.

Energy efficiency revenue. Energy efficiency revenue increased by $15.6 million, or 4.8%, from 2008 to 2009, due to an increase in the number of new projects for municipal and other institutional customers that commenced in late 2008 and continued through 2009. Revenue decreased by $20.9 million, or 6.0%, from 2007 to 2008, primarily because the size of our energy efficiency projects in the Canadian market decreased significantly from an unusually high level in 2007.

Renewable energy revenue. Renewable energy revenue increased by $17.1 million, or 24.1%, from 2008 to 2009, due mainly to an increase in the number of LFG and biomass facilities being built by us for federal agencies. Construction volume of such plants increased by $16.0 million from 2008 to 2009. Additionally, in 2009, we placed in service eight new plants owned by us that sell and deliver LFG, or electricity generated by LFG, to customers. Partially offsetting this increase in revenue was a decline in the sales of PV systems and components, primarily due to a decline in market prices of solar panels. In 2008, renewable energy revenue increased by $38.3 million, or 117.6% from 2007. The increase in 2008 was due primarily to increased sales of solar energy products and services, reflecting the first full year of sales from Southwestern Photovoltaic, Inc., or SWPV, which we acquired in May 2007. Also contributing to the increase in 2008, to a lesser extent, was an increase in revenue from the construction of biomass and LFG plants for federal agencies.

Revenue from customers outside the United States, principally Canada, was $86.9 million in 2009, compared with $87.2 million in 2008 and $100.4 million in 2007.

Direct Expenses and Gross Profit

Total direct expenses. Direct expenses increased by $30.2 million, or 9.5%, from 2008 to 2009, due to higher revenue. Lower profit margins caused direct expenses to increase at a greater rate than revenue. Direct expenses increased by $6.5 million, or 2.1%, from 2007 to 2008, due to the increase in revenue, but at a slower rate as profit margins improved during the year. Direct expenses generally increase or decrease as related revenue increases or decreases.

Energy efficiency. Energy efficiency gross margin decreased from 20.3% in 2008 to 17.2% in 2009, due primarily to cost overruns on several projects, as well as lower budgeted margins on certain Canadian projects. Energy efficiency gross margin increased from 17.4% in 2007 to 20.3% in 2008 due primarily to the recovery of a cost contingency for a project that was completed without requiring the use of such contingency and the recovery of a cost contingency relating to an O&M contract that was terminated as part of a settlement with a customer.

Renewable energy. Renewable energy gross margin increased from 15.9% in 2008 to 24.4% in 2009 as a result of the completion of seven new renewable energy plants, which typically have higher margins than PV products. Renewable energy gross margins decreased from 19.9% in 2007 to 15.9% in 2008 due primarily to a higher proportion of sales in 2008 represented by PV products.

Operating Expenses

Salaries and benefits. Salaries and benefits declined $2.0 million, or 6.7%, from 2008 to 2009, as a higher proportion of salaries and benefits was allocated to direct expense due to the increased utilization rates of our staff resulting from the higher volume of development and construction activity in 2009. Lower employee incentive payments also contributed to the decrease. Salaries and benefits increased from 2007 to 2008 by $4.4 million, or 17.0%, due primarily to the addition of personnel from the acquisition of SWPV and other staff additions.

Project development. Project development expenses declined $3.5 million, or 26.8%, from 2008 to 2009, and increased $5.0 million, or 62.6%, from 2007 to 2008. Our project development expenses were unusually high in 2008 as a result of a major marketing and rebranding initiative that we undertook and delays in projects due to the limited availability of financing for our customers. Expenses that we incurred during such delays are recorded as project development expenses rather than direct expenses.

General, administrative and other. General, administrative and other expenses increased $7.3 million, or 79.5%, from 2008 to 2009, and declined by $3.9 million, or 29.6%, from 2007 to 2008. In 2008, we recorded as a reduction to general, administrative and other expenses the sum of $5.8 million reflecting the recovery of a contingency that we had established in connection with our acquisition of Select Energy in 2006. Also in 2008, we incurred an additional $2.0 million of general, administrative and other expenses due to the first full year of operations of SWPV. In 2009, general, administrative and other expense included $2.2 million paid by us to settle a dispute with a competitor related to our PV business.

Other Income (Expense)

Other income (expense) increased from 2008 to 2009 by $6.7 million, from a net expense of $5.2 million to a net income of $1.6 million, due primarily to realized and unrealized gains from derivatives. In 2008, net expense increased by $2.0 million, or 65.3%, due to an increase in unrealized losses on derivatives and an increase in net interest expense. The following table shows the changes in other income (expense) from 2007 to 2008 and from 2008 to 2009:

	2007	2008 (In thousands)	2009
Gain realized from derivative	$ —	$ —	$ 2,494
Unrealized (loss) gain from derivatives	(1,366)	(2,832)	2,264
Interest expense, net of interest income	(1,449)	(2,118)	(2,993)
Amortization of deferred financing costs	(323)	(238)	(202)
	$ (3,138)	$ (5,188)	$ 1,563

Income Before Taxes

Income before taxes increased from 2008 to 2009 by $7.4 million, or 37.8%, due to realized and unrealized gains on derivatives, partially offset by the $5.8 million contingency recovery in 2008. Adjusting for the effect of these items, income before taxes in 2009 would have increased by $6.0 million, or 36.4%, compared to 2008. Higher revenue and improving margins were the principal reasons for the improvement in the adjusted results.

Income before taxes increased from 2007 to 2008 by $3.2 million, or 19.9%, due to the contingency recovery described above, partially offset by unrealized losses on derivatives and higher depreciation charges.

Provision for Income Taxes

The provision for income taxes is based on various rates set by federal, state, provincial and local authorities and are affected by permanent and temporary differences between financial accounting and tax reporting requirements. Our statutory rate, which is a combined federal and state rate, has ranged between 36.1% and 41.3%. During 2009, we recognized income taxes of $6.9 million, or 25.8% of pretax income. The principal difference between the statutory rate and the effective rate was due to deductions permitted under Section 179(d) of the Code, which relate to the installation of certain energy efficiency equipment in federal, state, provincial and local government-owned buildings, as well as production tax credits to which we are entitled from the electricity generated by certain plants that we own. These energy efficiency tax benefits accounted for a $3.0 million reduction in the 2009 provision, or a reduction of 11.1 percentage points in the effective rate.

In 2008, the tax provision was $1.2 million, or 6.2% of pre-tax income, as we recognized benefits of the Section 179(d) deduction. These cumulative benefits, plus production tax credits for electricity generation, resulted in an $8.0 million reduction in the tax provision, and decreased our effective rate by 40.9 percentage points.

In 2007, the tax provision was $5.7 million, or 35.1% of pre-tax income. The difference between the statutory rate and our effective rate was due primarily to the energy efficiency preferences from the Section 179(d) deduction and production tax credits for electricity generation, resulting in an $1.2 million reduction in the tax provision, and a decrease in the effective rate by 7.5 percentage points.

Net Income

Net income increased in 2009 by $1.6 million, or 8.9%, due to higher pre-tax income, partially offset by an increase in the tax provision. Earnings per share in 2009 were $1.99 per basic share, and $0.61 per diluted share, representing an increase of $0.28, or 16.4%, and $0.07, or 13.2%, respectively. The weighted-average number of basic and diluted shares decreased by 6.4% and 3.8%, respectively, as a result of share repurchases.

Net income in 2008 was $18.3 million, compared with $10.5 million in 2007, an increase of $7.7 million, or 73.3%. The increase was a result of higher income before taxes, and a significantly lower tax provision. Earnings per share were $1.71 per basic share and $0.54 per diluted share in 2008, representing an increase of 80.0% and 91.4%, respectively, from 2007. The weighted-average number of basic and diluted shares outstanding decreased in 2008 by 4.0% and 9.5%, respectively, as a result of share, option and warrant repurchases.

Liquidity and Capital Resources

Sources of liquidity. Since inception, we have funded operations primarily through cash flow from operations and various forms of debt. We believe that available cash and cash equivalents and availability under our revolving senior secured credit facility, combined with our access to credit markets and the net proceeds from this offering, will be sufficient to fund our operations through 2011 and thereafter.

Capital expenditures. Our total capital expenditures were $22.8 million in 2007, $43.0 million in 2008, and $21.6 million in 2009, which is net of $12.9 million in Section 1603 rebates. Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 authorized the U.S. Department of the Treasury to make payments to eligible persons who place in service specified energy property. This property would have been eligible for production tax credits under the Code, but we elected to forego such tax in exchange for the payment made under Section 1603. Additionally, we invested $10.8 million for an acquisition in 2007 and $0.7 million for an acquisition in 2009. We currently plan to make capital expenditures of approximately $30 million in 2010, principally for new renewable energy plants.

Cash flows from operating activities. Operating activities used $17.9 million of net cash during the three months ended March 31, 2010. During that period, we had net income of $1.3 million, which is net of non-cash compensation, depreciation, amortization, deferred income taxes, unrealized losses and other non-cash items totaling $4.1 million. Net decreases in accounts receivable and other assets provided another $4.3 million in cash. However, reductions in accounts payable and billings in excess of costs and estimated earnings used $27.6 million of cash. Changes in other liabilities provided the balance of net cash during the period.

Operating activities used $19.7 million of net cash during the three months ended March 31, 2009. During that period, we had net income of $0.4 million, which is net of non-cash compensation, depreciation, amortization, deferred income taxes, unrealized losses and other non-cash items totaling $5.1 million. Net decreases in accounts receivable and other assets provided another $2.4 million in cash. However, net reductions in accounts payable, billings in excess of costs and estimated earnings, and other liabilities used $27.6 million of cash.

Operating activities provided $45.3 million of net cash during 2009. In 2009, we had net income of $19.9 million, which is net of non-cash compensation, depreciation and amortization totaling $10.1 million, partially offset by a $2.3 million unrealized gain on derivatives. Increases in accounts payable and other liabilities contributed $36.7 million, and investment in federal projects used $52.9 million, in 2009. We also drew a total of $33.0 million in cash from restricted cash accounts maintained in connection with our federal ESPC and our renewable energy projects. We reflect restricted cash as an operating asset on our consolidated balance sheet and withdrawals from existing restricted cash accounts as cash flow from operations on our consolidated statements of cash flows. The creation of new restricted cash accounts is reflected as a decrease to cash flows from financing activities on our consolidated statements of cash flows. Certain of the cash generated from our federal ESPC receivable financing is held in restricted cash accounts to be used to pay for the cost of construction under our federal ESPCs. We withdrew $31.5 million in cash from these accounts during 2009. In addition, under the terms of our term loan agreements used to finance certain of our renewable energy projects, we are required to maintain restricted cash accounts to provide for operation and maintenance expenses incurred. We withdrew $1.5 million in cash from these accounts during 2009. Other changes in net assets and liabilities provided the balance of net cash during the year.

Operating activities provided $1.3 million of net cash during 2008. We had net income of $18.3 million which included non-cash compensation, depreciation and amortization totaling $6.7 million, impairments and write-downs totaling $4.8 million and a $2.8 million unrealized loss on derivatives. Net income also included a non-cash gain related to an acquisition of $5.9 million. Payments pursuant to O&M contracts decreased by $8.0 million due primarily to late customer remittances. Inventory and project development costs used $3.8 million and $3.6 million, respectively. We also drew a total of $25.5 million in cash from restricted cash accounts maintained in connection with our federal ESPC and our renewable energy projects. We reflect restricted cash as an operating asset on our consolidated balance sheet and withdrawals from existing restricted cash accounts as cash flow from operations on our consolidated statements of cash flows. The creation of new restricted cash accounts is reflected as a decrease to cash flows from financing activities on our consolidated statements of cash flows. Certain of the cash generated from our federal ESPC receivable financing is held in restricted cash accounts to be used to pay for the cost of construction under our federal ESPCs. We withdrew $23.5 million in cash from these accounts during 2008. In addition, under the terms of our term loan agreements used to finance certain of our renewable energy projects, we are required to maintain restricted cash accounts to provide for operation and maintenance expenses incurred. We withdrew $2.0 million in cash from these accounts during 2008. Other changes in net assets and liabilities provided the balance of net cash during the year.

Operating activities provided $30.3 million of net cash during 2007. We had net income of $10.5 million which included non-cash compensation, depreciation and amortization totaling $6.6 million, a $2.0 million asset write-down and a $1.4 million unrealized loss from a derivative. Net income also included a non-cash gain related to a securitization of $2.3 million. Activity related to federal projects contributed $11.4 million of cash and changes in net assets and liabilities used $3.9 million of net cash during the year.

Cash flows from investing activities. Cash used for investing activities during the three months ended March 31, 2010 totaled $6.3 million and consisted of capital investments of $5.9 million related to the development of renewable energy plants. Other investments related to leasehold improvements and office equipment.

Cash used for investing activities during the three months ended March 31, 2009 totaled $9.9 million and consisted of capital investments of $9.5 million related to the development of renewable energy plants. Other investments were related to leasehold improvements and office equipment.

Cash flows from investing activities primarily relate to capital expenditures to support our growth.

Cash used in investing activities totaled $22.3 million during 2009 and consisted of capital expenditures of $21.6 million, primarily related to the development of renewable energy plants. This amount was net of $12.9 million of Section 1603 rebates. Also, $0.7 million of cash was used for an acquisition.

Cash used in investing activities totaled $43.0 million during 2008 and consisted solely of capital expenditures primarily for development of renewable energy plants.

Cash used in investing activities totaled $33.6 million during 2007 and consisted of capital expenditures of $22.8 million, primarily related to the development of renewable energy plants. Also, $10.8 million of cash was used for an acquisition.

Cash flows from financing activities. Net cash used in financing activities during the three months ended March 31, 2010 totaled $0.01 million. We increased certain restricted cash accounts by $4.3 million to meet terms of our loan agreements, and repaid $1.3 million of long-term project debt. Additionally, we paid $0.2 million in financing related fees. Partially offsetting those payments were net draws on our revolving credit facility totaling $5.0 million and proceeds from long-term debt financing arrangements of $0.8 million.

Cash flows provided by financing activities during the three months ended March 31, 2009 totaled $18.6 million. Proceeds from a long-term debt financing arrangement and net draws on our credit facility were $15.1 million and $5.9 million, respectively. Partially offsetting those proceeds were $1.2 million used to pay down long-term debt, $0.9 million to repurchase outstanding shares from an employee, $0.2 million to meet a restricted cash requirement, and $0.1 million for financing-related fees.

Cash flows provided by financing activities totaled $4.1 million during 2009 and included proceeds, net of financing costs, of $25.4 million from a construction and term loan facility provided by a bank. These proceeds were offset by repayments of $14.6 million on our revolving senior secured credit facility, repayments of $3.6 million on other long-term debt and payments of $3.1 million into restricted cash accounts which we are required to maintain under the terms of our term loan agreements used to finance certain of our renewable energy projects to provide for operation and maintenance expenses incurred in connection with such projects.

Cash flows provided by financing activities totaled $22.2 million during 2008 and included proceeds of $34.5 million from our revolving senior secured credit facility and proceeds from project finance debt of $9.3 million. These proceeds were partially offset by repayments of $2.5 million on long-term debt, $2.9 million of project debt, $0.9 million in financing fees, $12.9 million for the repurchase of stock and warrants and payments of $2.4 million into restricted cash accounts which we are required to maintain under the terms of our term loan agreements used to finance certain of our renewable energy projects to provide for operation and maintenance expenses incurred in connection with such projects.

Cash flows used in financing activities totaled $3.2 million during 2007, primarily related to the repayment of long-term debt of $4.4 million, repayment of senior debt of $2.5 million and the repurchase of employee stock and options of $2.5 million, partially offset by $6.2 million of proceeds from project financing.

Subordinated Note

In connection with the organization of Ameresco, on May 17, 2000, we issued a subordinated note to our principal stockholder in the amount of $3.0 million. The subordinated note bears interest at the rate of 10.00% per annum, payable monthly in arrears, and is subordinate to our revolving senior secured credit facility. The subordinated note is payable upon demand. We incurred $0.3 million of interest related to the subordinated note during each of 2007, 2008 and 2009. We will repay in full the outstanding principal balance of, and all accrued but unpaid interest on, the note out of the proceeds of this offering.

Revolving Senior Secured Credit Facility

On June 10, 2008, we entered into a credit and security agreement with Bank of America, consisting of a $50 million revolving facility. The agreement requires us to pay monthly interest at various rates in arrears, based on the amount outstanding. This facility has a maturity date of June 30, 2011. The facility is secured by a lien on all of our assets other than renewable energy projects that we own that were financed by others, and limits our ability to enter into other financing arrangements. Availability under the facility is based on two times our EBITDA for the preceding four quarters, and we are required to maintain a minimum EBITDA of $20 million on a rolling four-quarter basis and a minimum level of tangible net worth. The full line of credit, less outstanding amounts, was available to us as of March 31, 2010. As of March 31, 2010, there was $24.9 million in principal outstanding under the facility. There was $34.5 million and $19.9 million in principal outstanding under the facility as of December 31, 2008 and 2009, respectively.

Project Financing

Construction and Term Loans. We have entered into a number of construction and term loan agreements for the purpose of constructing and owning certain renewable energy plants. The physical assets and the operating agreements related to the renewable energy plants are owned by wholly-owned, single member special purpose subsidiaries. These construction and term loans are structured as project financings made directly to a subsidiary, and upon acceptance of a project, the related construction loan converts into a term loan. While we are required under GAAP to reflect these loans as liabilities on our consolidated balance sheet, they are nonrecourse and not direct obligations of Ameresco, Inc. As of March 31, 2010, we had outstanding $58.0 million in aggregate principal amount under these loans, bearing interest at rates ranging from 6.9% to 8.7% and maturing at various dates from 2014 to 2025. As of December 31, 2009, we had outstanding $58.4 million in aggregate principal amount under these loans, bearing interest at rates ranging from 6.9% to 8.7% and maturing at various dates from 2014 to 2021. As of March 31, 2010 and December 31, 2009, a term loan in the amount of $5.0 million and $5.4 million, respectively, was in default as a result of the bankruptcy of the customer for the energy output of the plant financed by the loan. This customer has emerged from bankruptcy, confirmed its obligations to our subsidiary and made all back payments together with interest. We are currently seeking to refinance this loan to cure the default.

Federal ESPC Receivable Financing. We have arrangements with certain lenders to provide advances to us during the construction or installation of projects for certain customers, typically federal governmental entities, in exchange for our assignment to the lenders of our rights to the long-term receivables arising from the ESPCs related to such projects. These financings totaled $57.3 million and $32.6 million in principal amount at March 31, 2010 and December 31, 2009, respectively. Under the terms of these financing arrangements, we are required to complete the construction or installation of the project in accordance with the contract with our customer, and the debt remains on our consolidated balance sheet until the completed project is accepted by the customer.

Our revolving senior secured credit facility and construction and term loan agreements require us to comply with a variety of financial and operational covenants. As of March 31, 2010, except as noted above in "— Construction and Term Loans" with respect to the $5.0 million term loan that was in default due to the bankruptcy of the customer that purchases the energy output of the plant financed by the loan, we were in compliance with all of our financial and operational covenants. In addition, we do not consider it likely that we will fail to comply with these covenants during the term of these agreements.

Contractual Obligations

The following table summarizes our significant contractual obligations and commitments as of March 31, 2010:

	Payments due by Period				
	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
			(In thousands)		
Revolving senior secured credit facility(1)	$ 24,932	$ —	$ 24,932	$ —	$ —
Term loans	57,925	11,800	9,711	6,894	29,520
Federal ESPC receivable financing(2)	57,258	3,419	53,839	—	—
Interest obligations(3)	23,101	3,851	6,405	4,405	8,440
Operating leases	7,404	1,482	2,643	1,611	1,668
Total	$ 170,620	$ 20,552	$ 97,530	$ 12,910	$ 39,628

(1) For our revolving senior secured credit facility, the table above assumes that the variable interest rate in effect as of March 31, 2010 remains constant for the term of the facility.

(2) Federal ESPC receivable financing arrangements relate to the installation and construction of projects for certain customers, typically federal governmental entities, where we assign to the lenders our right to customer receivables. We are relieved of the financing liability when the project is completed and accepted by the customer.

(3) The table does not include, for our federal ESPC receivable financing arrangements, the difference between the aggregate amount of the long-term customer receivables sold by us to the lender and the amount received by us from the lender for such sale.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules, such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheet.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to changes in interest rates and foreign currency exchange rates because we finance certain operations through fixed and variable rate debt instruments and denominate our transactions in U.S. and Canadian dollars. Changes in these rates may have an impact on future cash flows and earnings. We manage these risks through normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments.

Interest Rate Risk

We had cash and cash equivalents totaling $24.4 million as of March 31, 2010, $47.9 million as of December 31, 2009, $18.1 million as of December 31, 2008, and $40.9 million as of December 31, 2007. Our exposure to interest rate risk primarily relates to the interest expense paid on our senior secured credit facility.

Derivative Instruments

We do not enter into financial instruments for trading or speculative purposes. However, through our subsidiaries we do enter into derivative instruments for purposes other than trading purposes. Certain of the term loans that we use to finance our renewable energy projects bear variable interest rates that are indexed to short-term market rates. We have entered into interest rate swaps in connection with these term loans in order to seek to hedge our exposure to adverse changes in the applicable short-term market rate. In some instances, the conditions of our renewable energy project term loans require us to enter into interest rate swap agreements in order to mitigate our exposure to adverse movements in market interest rates. The interest rate swaps that we have entered into qualify, but have not been designated, as fair value hedges.

By using derivative instruments, we are subject to credit and market risk. The fair market value of the derivative instruments is determined by using valuation models whose inputs are derived using market observable inputs, including interest rate yield curves, and reflects the asset or liability position as of the end of each reporting period. When the fair value of a derivative contract is positive, the counterparty owes us, thus creating a receivable risk for us. We are exposed to counterparty credit risk in the event of non-performance by counterparties to our derivative agreements. We minimize counterparty credit (or repayment) risk by entering into transactions with major financial institutions of investment grade credit rating.

Our exposure to market interest rate risk is not hedged in a manner that completely eliminates the effects of changing market conditions on earnings or cash flow.

Foreign Currency Risk

As a result of our operations in Canada, we have significant expenses, assets and liabilities that are denominated in a foreign currency. Also, a significant number of employees are located in Canada and we transact a significant amount of business in Canadian currency. Consequently, we have determined that Canadian currency is the functional currency for our Canadian operations. When we consolidate the operations of our Canadian subsidiary into our financial results, because we report our results in U.S. dollars, we are required to translate the financial results and position of our Canadian subsidiary from Canadian currency into U.S. dollars. We translate the revenues, expenses, gains, and losses from our Canadian subsidiary into U.S. dollars using a weighted average exchange rate for the applicable fiscal period. We translate the assets and liabilities of our Canadian subsidiary into U.S. dollars at the exchange rate in effect at the applicable balance sheet date. Translation adjustments are not included in determining net income for the period but are disclosed and accumulated in a separate component of consolidated equity until sale or until a complete or substantially complete liquidation of the net investment in our Canadian subsidiary takes place. Changes in the values of these items from one period to the next which result from exchange rate fluctuations are recorded in our consolidated statements of changes in stockholders' equity as accumulated other comprehensive income (loss). During the three months ended March 31, 2010 and December 31, 2009, due to changes in the U.S.-Canadian exchange rate that were favorable to the value of the Canadian dollar versus the U.S. dollar, our foreign currency translation resulted in a gain of $1.0 million and $3.5 million, respectively, which we recorded as an increase in accumulated other comprehensive income.

As a consequence, gross profit, operating results, profitability and cash flows are impacted by relative changes in the value of the Canadian dollar. We have not repatriated earnings from our Canadian subsidiary, but have elected to invest in new business opportunities there. We do not hedge our exposure to foreign currency exchange risk.

Recent Accounting Pronouncements

Codification. In 2009, the Financial Accounting Standards Board, or FASB, issued an accounting pronouncement establishing the FASB Accounting Standards Codification, or ASC, as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities. This pronouncement was effective for financial statements issued for interim and annual periods ending after September 15, 2009 for most entities. On the effective date, all non-SEC accounting and reporting standards were superseded. We adopted this new accounting pronouncement during 2009, and it did not have a material impact on our consolidated financial statements.

Subsequent Events. In May 2009, the FASB issued guidance on subsequent events, which sets forth general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. We adopted the guidance during 2009, and it did not have a material impact on our consolidated financial statements.

Fair Value Measurement. In January 2010, the FASB issued guidance on improving disclosures about fair value measurements. This guidance has new requirements for disclosures related to recurring or nonrecurring fair-value measurements including significant transfers into and out of Level 1 and Level 2 fair-value measurements and information on purchases, sales, issuances and settlements in a rollforward reconciliation of Level 3 fair-value measurements. This guidance is effective for the first reporting period beginning after December 15, 2009, and, as a result, it was effective for us beginning on January 1, 2010. The Level 3 reconciliation disclosures are effective for fiscal years beginning after December 15, 2010, which will be effective for us for the year ending December 31, 2011. We do not expect our adoption of this guidance to have a material impact on our consolidated financial statements.

On January 1, 2007, we adopted the related guidance for fair value measurements. The guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. In addition, in 2009, we adopted fair value measurements for all of our non-financial assets and non-financial liabilities, except for those recognized at fair value in our consolidated financial statements at least annually. These assets include goodwill and long-lived assets measured at fair value for impairment assessments, and non-financial assets and liabilities initially measured at fair value in a business combination. Our adoption of this guidance did not have a material impact on our consolidated financial statements.

In September 2009, the FASB issued guidance related to revenue arrangements with multiple deliverables as codified in ASC 605, Revenue Recognition, or ASC 605. ASC 605 provides greater ability to separate and allocate arrangement consideration in a multiple element revenue arrangement. In addition, ASC 605 requires the use of estimated selling price to allocate arrangement considerations, therefore eliminating the use of the residual method of accounting. ASC 605 will be effective for fiscal years beginning after June 15, 2010 and may be applied retrospectively or prospectively for new or materially modified arrangements. Earlier application is permitted. We do not expect our adoption of this guidance will have a material effect on our consolidated financial statements.

BUSINESS

Company Overview

Ameresco is a leading provider of energy efficiency solutions for facilities throughout North America. Our solutions enable customers to reduce their energy consumption, lower their operating and maintenance costs and realize environmental benefits. Our comprehensive set of services addresses almost all aspects of purchasing and using energy within a facility. Our services include upgrades to a facility's energy infrastructure and the construction and operation of small-scale renewable energy plants. As one of the few large, independent energy efficiency service providers, we are able to objectively select and provide the products and technologies best suited for a customer's needs. Having grown from four offices in three states in 2001 to 54 offices in 29 states and four Canadian provinces in 2010, we now combine a North American footprint with strong local operations, which enable us to remain close to our customers and serve them effectively. We believe that we are a leading provider of energy efficiency solutions for facilities throughout North America based on having secured more than 30% of the projects awarded from October 1, 2008 through February 2010 under U.S. Department of Energy programs related to energy savings performance contracts, as well as our belief based on our own internal analyses and on third-party analyst reports that, by revenue, we are among the top ten North American energy services companies/energy consultants.

The market for energy efficiency services has grown significantly, driven largely by rising and volatile energy prices, advances in energy efficiency and renewable energy technologies, governmental support for energy efficiency and renewable energy programs and growing customer awareness of energy costs and environmental issues. End-users and governmental agencies are increasingly viewing energy efficiency measures as a cost-effective solution for saving energy, renewing aging facility infrastructure and reducing harmful emissions.

Our principal service is the development, design, engineering and installation of projects that reduce the energy and O&M costs of our customers' facilities. These projects typically include a variety of measures customized for the facility and designed to improve the efficiency of major building systems, such as heating, ventilation, air conditioning and lighting systems. We typically commit to customers that our energy efficiency projects will satisfy agreed-upon performance standards upon installation or achieve specified increases in energy efficiency. In most cases, the forecasted lifetime energy and operating cost savings of the energy efficiency measures we install will defray all or almost all of the cost of such measures. In many cases, we assist customers in obtaining third-party financing for the cost of constructing the facility improvements, resulting in little or no upfront capital expenditure by the customer. After a project is complete, we may operate, maintain and repair the customer's energy systems under a multi-year O&M contract, which provides us with recurring revenue and visibility into the customer's evolving needs.

We also serve certain customers by developing and building small-scale renewable energy plants located at or close to a customer's site. Depending on the customer's preference, we will either retain ownership of the completed plant or build it for the customer. Most of our plants have to date been constructed adjacent to landfills and use LFG to generate energy. Our largest renewable energy plant is currently under construction and will use biomass as the source of energy. In the case of the plants that we own, the electricity, thermal energy or processed LFG generated by the plant is sold under a long-term supply contract with the customer, which is typically a utility, municipality, industrial facility or other large purchaser of energy. We also sell and install PV panels and integrated PV systems that convert solar energy to power. By enabling our customers to procure renewable sources of energy, we help them reduce or stabilize their energy costs, as well as realize environmental benefits.

We provide our services primarily to governmental, educational, utility, healthcare and other institutional, commercial and industrial entities. Since our inception in 2000, we have served more than 2,000 customers.

Our revenue has increased from $20.9 million in 2001, our first full year of operations, to $428.5 million in 2009. We achieved profitability in 2002 and have been profitable every year since then.

As of December 31, 2009, we had backlog of approximately $590 million in future revenue under signed customer contracts for the installation or construction of projects, which we expect to be recognized over the period from 2010 to 2013, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $700 million over the same period. As of December 31, 2008, we had backlog of approximately $263 million in future revenue under signed customer contracts for the installation or construction of projects, which we expected to be recognized over the period from 2009 to 2011, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $939 million over the period from 2009 to 2013. We also expect to realize recurring revenue both under long-term O&M contracts and under energy supply contracts for renewable energy plants that we own. See "Risk Factors — We may not recognize all revenue from our backlog or receive all payments anticipated under awarded projects and customer contracts."

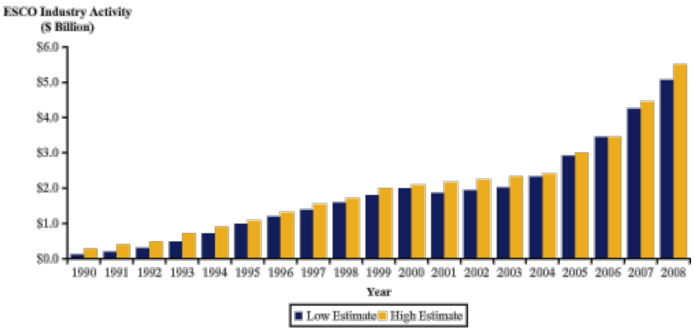
Industry Overview

Energy efficiency companies, sometimes referred to as energy services companies, or ESCOs, develop, install and arrange financing for projects designed to improve the energy efficiency of buildings and other facilities. Typical products and services offered by energy efficiency companies include boiler and chiller replacement, HVAC upgrades, lighting retrofits, equipment installations, on-site cogeneration, renewable energy plants, load management, energy procurement, rate analysis, risk management and billing administration. Energy efficiency companies often offer their products and services through ESPCs. Under these contracts, energy efficiency companies assume certain responsibilities for the performance of the installed measures, under assumed conditions, for a portion of the project's economic lifetime.

Energy Efficiency

The market for energy efficiency services has grown significantly, driven largely by rising and volatile energy prices, advances in energy efficiency and renewable energy technologies, governmental support for energy efficiency and renewable energy programs and growing customer awareness of energy and environmental issues. End-users, utilities and governmental agencies are increasingly viewing energy efficiency measures as a cost-effective solution for saving energy, renewing aging facility infrastructure and reducing harmful emissions.

According to a 2008 Frost & Sullivan report, as shown in the table below, activity by ESCOs in the North American market for energy management services, including energy efficiency, demand response and other services, grew at a compound annual growth rate, or CAGR, of 22% from 2004 through 2008, with the estimated size of the market reaching more than $5 billion in 2008:



In a 2009 report, McKinsey & Company estimated that energy savings worth $1.2 trillion are available if the full amount of economically viable and commercially available energy efficiency potential is implemented in the United States through 2020, which would require upfront investment of $520 billion.

In 2008, Frost & Sullivan estimated that government and institutional facilities accounted for approximately 60% of energy management services revenue, with commercial and industrial customers accounting for 32% of the market and residential customers accounting for the balance. While we expect these existing U.S. markets will continue to grow, we also believe that the international markets provide opportunities for significant additional growth. For example, Frost & Sullivan in its 2008 report estimated that the spending for energy efficiency measures outside North America will reach approximately $216 billion over the ensuing four to five years.

The U.S. federal government has over the past decade significantly increased its interest in and spending on energy efficiency measures. Legislation authorizing federal agencies to enter into ESPCs was originally passed in 1992, and in 2007, three years after the sunset of the original legislation, Congress passed new ESPC legislation without a sunset provision. As of the end of 2009, ESPCs have been awarded by 19 different federal agencies and departments in 48 states, resulting in more than 485 federal energy efficiency projects cumulatively worth $2.7 billion. In December 2008, the U.S. Department of Energy awarded new IDIQ contracts that permit 16 companies to propose and procure ESPCs with federal agencies. Of these 16 companies, only two are independent companies not affiliated with an equipment manufacturer, utility or fuel company.

There are three principal types of energy efficiency companies:

- *Independent Energy Services Companies* — Energy efficiency companies not associated with an equipment manufacturer, utility or fuel company. Most of these companies are small and focus either on a specific geography or specific customer base.
- *Utility-Affiliated Energy Services Companies* — Companies owned by regulated North American utilities, many of which were traditionally focused on the service territories of their affiliated utilities. Many of these companies have since expanded their geographical markets. Examples include Constellation Energy Projects and Services and ConEdison Solutions.
- *Equipment Manufacturers* — Companies owned by building equipment or controls manufacturers. Many of these companies have a national presence through an extensive network of branch offices. Examples include Honeywell, Johnson Controls and Siemens.

Renewable Energy

Utilities and large purchasers of energy are increasingly seeking to use renewable sources of energy, such as LFG, wind, biomass, geothermal and solar, to reduce or stabilize their energy costs, meet regulatory mandates for use of renewable energy, diversify their fuel sources and realize environmental benefits, such as the reduction of greenhouse gas emissions.

According to the International Energy Agency, utilities worldwide are expected to increase their overall renewable generation capacity as a percentage of their overall capacity from less than four percent in 2007 to 13% in 2030.

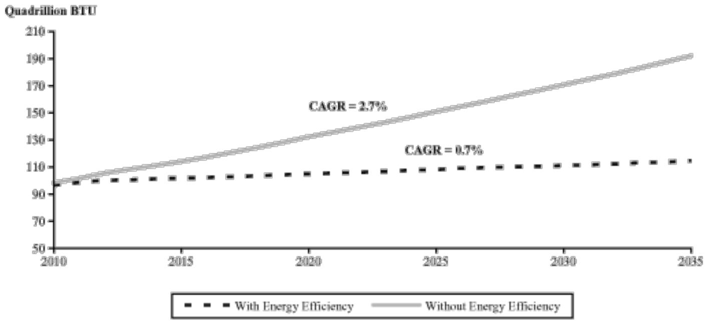
Industry Trends

We believe the following trends and developments are driving the growth of our industry.

- *Rising and Volatile Energy Prices.* Over the past decade, energy-linked commodity prices, including oil, gas, coal and electricity, have all increased and exhibited significant volatility. From 1999 to 2009, average U.S. retail electricity prices have increased by more than 50%. Over an 18-month period from January 2007 to July 2008, oil prices increased by almost 200%. According to the U.S. Energy Information Administration, or EIA, oil prices are expected to increase by approximately 115% from 2009 to 2035 and electricity prices are expected to increase by approximately six percent annually over the same time period. We believe that rising energy prices combined with significant volatility have resulted in growing demand for energy efficiency measures that reduce energy usage and for sources of renewable energy that can stabilize energy costs.

- *Potential of Energy Efficiency Measures to Significantly Reduce Energy Consumption*. According to the EIA, U.S. energy demand is expected to increase nearly twofold from 2010 to 2035 in the absence of any improvements in energy efficiency, but the implementation of energy efficiency measures can significantly reduce energy consumption, as shown below:

Total U.S. Energy Consumption



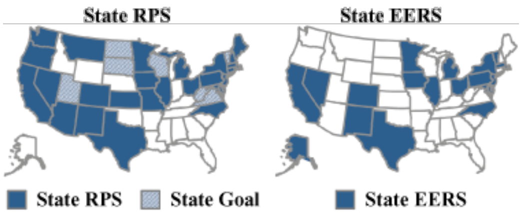
According to a July 2009 report by McKinsey & Company, economically viable and commercially available energy efficiency measures, if fully implemented, have the potential to save more than one trillion kWh of electricity, or 23% of overall U.S. demand, by 2020.

- *Aging and Inefficient Facility Infrastructure.* Many organizations continue to operate with an energy infrastructure that is significantly less efficient and cost-effective than that now available through more advanced technologies applied to lighting, heating, cooling and other building systems. As these organizations explore alternatives for renewing their aging facilities, they often identify multiple areas within their facilities that could benefit from the implementation of energy efficiency measures, including the possible use of renewable sources of energy. According to a July 2009 report by McKinsey & Company, increased energy efficiency through facility renewal of government buildings, community infrastructure and existing homes in the United States represents a $76 billion market opportunity through 2020, and could result in energy savings of $174 billion over the same period.

- *Increased Focus on Cost Reduction.* The current economic environment has led many organizations to search for opportunities to reduce their operating costs. There has been a growing awareness that reduced energy consumption presents an opportunity for significant long-term savings in operating costs and that the installation of energy efficiency measures can be a cost-effective way to achieve such reductions.

- *Movement Toward Industry Consolidation.* As energy efficiency solutions continue to increase in technological complexity and customers look for service providers that can offer broad geographic and product coverage, we believe smaller niche energy efficiency companies will continue to look for opportunities to combine with larger companies that can better serve their customers' needs. In addition, we believe utilities will continue to consider divesting their energy management services divisions, in part because of the potential conflicts between the interests of an energy provider and the interests of a provider of energy efficiency services. Increased market presence and size of energy efficiency companies should, in turn, create greater customer awareness of the benefits of energy efficiency measures.

- *Increased Use of Third-Party Financing.* Many organizations desire to use their existing sources of capital for core investments or do not have the internal capacity to finance improvements to their energy infrastructure. These organizations often require innovative structures to facilitate the financing of energy efficiency and renewable energy projects. Customers seeking to upgrade or renew their energy systems are increasingly seeking to enter into ESPCs or other creative arrangements that facilitate third-party financing for their projects.
- *Increasing Legislative Support and Initiatives.* In the United States and Canada, federal, state, provincial and local governments have enacted and are considering legislation and regulations aimed at increasing energy efficiency, reducing greenhouse gas emissions and encouraging the expansion of renewable energy generation. Examples of such legislation and regulation are:
    - *Federal.* In 2007, the United States enacted the Energy Independence and Security Act which mandates that federal buildings reduce energy consumption by 30% by 2015 compared to their 2003 baseline and contains multiple provisions promoting long-term ESPCs. The U.S. Department of Energy also has a number of research, development, grant and financing programs — most notably the DOE Loan Guarantee Program — to encourage energy efficiency and renewable energy. Additionally, the United States has adopted federal incentives for renewable energy, including the production tax credit, investment tax credit and accelerated depreciation.
    - *States.* At the U.S. state level, significant measures to support energy efficiency and renewable energy have been implemented, including as of December 31, 2009, the following:
        - 20 states have adopted energy efficiency resource standards, or EERS, and long-term energy savings targets for utilities.
        - 29 U.S. states and the District of Columbia have renewable portfolio standards, or RPS, in place, and six states have renewable portfolio goals.
        - 14 states have passed legislation enabling a new financing mechanism known as Property Assessed Clean Energy (PACE) Bonds. The bonds provide funds that can be used by commercial and residential property owners to finance efficiency measures and small-scale renewable energy systems.



    - The U.S. Senate and House of Representatives have passed various forms of EERS and RPS legislation and, if enacted, all 50 states would have additional incentives to support energy efficiency and renewable energy.
- *Canada.* The federal, provincial and local governments have also provided incentives for the development of energy efficiency and renewable energy projects, and facility renewal. In 2010, the federal government announced its 2020 greenhouse gas emissions reduction target

under the Copenhagen Accord, a 17% reduction from 2005 levels, subject to adjustment to remain consistent with the U.S. target. In 2009, Ontario and Quebec both passed enabling legislation to establish cap-and-trade programs, which aim at reducing emissions by 15% below 1990 levels by 2020 and 20% by 2020, respectively. Ontario also passed the Green Energy and Green Economy Act in May 2009 to expand renewable energy production, encourage energy conservation and create green jobs. The act established a feed-in tariff program with pricing incentives to encourage the development of renewable energy. Similarly, British Columbia has also passed enabling legislation to establish a cap-and-trade program and a greenhouse gas reduction target of at least 33% below 2007 levels by 2020. Under the federal Economic Action Plan, the federal government has committed to multi-year expenditures of $4 billion for new infrastructure funding, and has established program funds of $1 billion for sustainable energy and other green projects and $2 billion to repair, retrofit and expand facilities at post-secondary institutions.

- *Economic Stimuli.* Governments worldwide have allocated significant portions of economic stimuli to clean energy. The American Recovery and Reinvestment Act of 2009 allocated $67 billion to promote clean energy, energy efficiency and advanced vehicles. Additionally, the Emergency Economic Stabilization Act instituted a grant program that provides cash in lieu of the investment tax credit for eligible renewable energy generation sources which commence construction in 2010.

These trends and developments are contributing to the growth of the market for energy efficiency and renewable energy solutions and create opportunities for energy efficiency companies that can provide the comprehensive range of services and deep level of expertise necessary to cost-effectively meet customers' energy and facility renewal needs.

The Ameresco Solution

Ameresco's solutions enable customers to increase energy efficiency, reduce costs and realize environmental benefits. Our comprehensive set of services addresses almost all aspects of purchasing and using energy within a facility. We have significant in-house expertise in identifying, designing and installing the improvements necessary to enhance the energy efficiency of a facility. As an independent company unaffiliated with any specific equipment manufacturer or utility, we have the freedom and flexibility to be objective in selecting, purchasing and integrating the particular systems best suited for a facility's infrastructure.

We can reduce our customers' energy costs in several ways. The energy efficiency measures that we design, install and manage, such as boilers, chillers, lighting systems and control systems, can reduce the usage of energy and water, thereby significantly reducing operating costs. By upgrading aging facilities, we can also significantly reduce ongoing O&M costs. In addition, customers buying energy from our renewable energy plants can reduce or stabilize their energy prices under 10- to 20-year supply contracts with us. We also sell and install equipment, such as solar energy products, that enable customers to benefit from federal and state tax credits and other governmental incentives.

Most customers undertaking an energy efficiency project desire to minimize their upfront costs and overall cost of system ownership. We assist customers in achieving their economic objectives by helping to arrange third-party financing, which often results in little or no upfront capital expenditure by the customer. By committing that our energy efficiency measures will achieve specified performance standards upon installation or specified increases in energy efficiency over a multi-year period, we enable our customers to reduce the risk that the systems we install will not achieve forecasted energy usage savings. In most cases, the forecasted lifetime savings of the energy efficiency measures we install will defray all or almost all of the cost of such measures. For customers desiring to procure renewable energy sources, we provide financing flexibility by offering either to build a small-scale renewable energy plant that will be owned and financed by the customer itself or to build and finance a plant that we will own and that will supply energy or gas to the customer under a long-term contract.

Our solutions also assist our customers in achieving their environmental goals and, in the case of governmental customers, complying with federal and state energy efficiency and emission reduction mandates. Our energy efficiency improvements enable customers to achieve environmental benefits both by reducing their energy and water usage and by reducing their reliance on conventional energy sources. Customers procuring electricity, thermal energy or processed gas from the renewable energy plants that we construct can further reduce their emissions of greenhouse gases and other pollutants.

Our Competitive Strengths

We believe our competitive strengths include the following:

- *One-Stop, Comprehensive Service Provider.* We offer our customers expertise in addressing almost all aspects of purchasing and using energy within a facility. Our experienced project development and engineering staff provide us with the capability and flexibility to determine the combination of energy efficiency measures that is best suited to achieve the customer's energy efficiency and environmental goals. Our solutions range from smaller projects, such as a lighting system retrofit, to larger and more complex projects comprising new heating, cooling and electrical infrastructure, solar panels and a small-scale renewable energy plant serving multiple buildings.
- *Independence.* We are an independent company with no affiliation to any equipment manufacturer, utility or fuel company. Unlike affiliated service companies, we have the freedom and flexibility to be objective in selecting particular products and technologies available from different manufacturers. By bundling components from multiple sources, we can optimize our solution for customers' particular needs. In addition, we can leverage the high volume of equipment purchases that originate across our North American operations to obtain attractive pricing terms that enable us to provide cost-effective solutions to our customers.
- *Strong Customer Relationships.* We have served over 2,000 customers since our inception, including over 1,000 customers in 2009. The sales, design and construction process for energy efficiency and renewable energy projects typically takes from 12 to 36 months, during which time our engineers work closely with the customer to ensure a successful installation. For certain projects, we enter into a multi-year O&M contract under which we have personnel on-site monitoring and controlling the customer's energy systems. Our services include helping customers procure energy and managing their utility bill payment processes. All of these design, engineering and support activities foster a close relationship with our customers, which positions us to identify their future needs and provide additional services to them. For example, for a single federal facility, we have completed three separate projects over the period from 2005 to 2009.
- *Creative Solutions.* We seek to provide innovative solutions to meet our customers' energy efficiency, facility renewal and environmental goals. Our engineering staff has expertise in a broad range of technologies and energy savings strategies encompassing different types of electrical, heating, cooling, lighting, water, renewable energy, and other facility infrastructure systems. We are constantly seeking to identify new services, products and technologies that can be incorporated into our energy efficiency and renewable energy solutions to enhance their performance. We apply this expertise to design and engineer innovative solutions customized to meet the specific needs of each client. We also have an internal structured finance team that is skilled and experienced in arranging third-party financing for our customers' projects.
- *Strong National and Local Presence.* We have a nationwide presence in both the United States and Canada and serve certain of our customers in European locations. We maintain a centralized staff of engineering, financial and legal personnel at our headquarters in Massachusetts, who provide support to our seven regional offices and 46 other field offices located throughout the United States and Canada. We leverage our centralized resources and local offices by sharing experiences and best practices across the offices. We are able to

maintain an entrepreneurial approach toward our customers by delegating significant responsibility to our regional offices and making them accountable for their own operational and financial performance. We believe that our organizational structure enables us to be fast, flexible and cost-effective in responding to our customers' needs.

- *Experienced Management and Operations Team.* Our executive officers have an aggregate of over 150 years of experience in the energy efficiency field. Some have worked together for over 15 years and most have worked together at Ameresco for over five years. In addition, we have accumulated significant in-house expertise in our sales, engineering, financing, legal, construction and operations functions. As of March 31, 2010, we employed over 200 engineers, whose experience with respect to fuels, rates, technologies and geography-specific regulation and economic benefits enables us to propose and design energy efficiency solutions that take into account the economic, technological, environmental and regulatory considerations that we believe underlie the cost efficiencies and operational success of a project. Many of our employees were previously employed by utilities, construction companies, financial institutions, engineering firms, consultancies and government agencies, which provides them with specialized experience in solving problems and creating value for our customers.
- *Federal and State Qualifications.* The federal governmental program under which federal agencies and departments can enter into ESPCs requires that energy service providers have a track record in the industry and meet other specified qualifications. Over 20 states require similar qualifications to do business with state agencies and, in certain cases, with other governmental agencies in the state. In 2008, we renewed our IDIQ qualification under the U.S. Department of Energy program for ESPCs, and we are currently qualified to enter into ESPCs in most states that require qualification. Our projects accounted for almost half of the total dollar amount of published task orders issued under the Department of Energy's IDIQ program for ESPCs in fiscal 2009. The scope of our qualifications provides us with the opportunity to continue to grow our business with federal, state and other governmental customers and differentiates us from energy efficiency companies that have not been similarly qualified.
- *Integration of Strategic Acquisitions.* We have a track record of completing over ten acquisitions that have enabled us to broaden our offerings, expand our geographical reach and accelerate our growth. We follow a disciplined approach in evaluating and valuing potential acquisition candidates and frequently improve their operating performance significantly following our acquisition. Our acquisition of the energy services business of Duke Energy in 2002 expanded our geographical reach into Canada and the southeastern United States, and enabled us to penetrate the federal government market for energy efficiency projects. Our acquisition of the energy services business of Northeast Utilities in 2006 further grew our capability to provide services for the federal market and in Europe. Our acquisition of Southwestern Photovoltaics in 2007 significantly expanded our offering of solar energy products and services. We believe that our ability to offer a comprehensive set of energy efficiency services across North America has been, and will continue to be, enhanced by our expertise in identifying and completing acquisitions that expand our service offerings, as well as by our ability to integrate and leverage the skilled engineering, sales and operational personnel that come to us through these acquisitions.

Strategy

Our goal is to capitalize on our strong customer base and broad range of service offerings to become the leading provider of comprehensive energy efficiency and renewable energy solutions.

Key elements of our strategy include the following:

- *Pursue Organic Growth.* We plan to grow primarily by leveraging our core expertise in designing, engineering and installing energy efficiency solutions to reach additional customers in our target markets. To achieve this goal, we plan to open additional local offices in the regions we currently serve, as well as hire additional sales personnel. We also plan to expand geographically by opening new offices in regions we do not currently serve in the United States and Canada, as well as in Europe.

- *Continue to Maintain Customer Focus.* Our success will continue to depend in large part on our ability to understand and meet our customers' energy infrastructure requirements. We will maintain an entrepreneurial approach toward our customers and remain flexible in designing projects tailored specifically to meet their needs. We will also continue to monitor and explore alternative services, products and technologies that might offer improved system performance and will seek to design and engineer innovative solutions for our customers.
- *Expand Scope of Product and Service Offerings.* We believe the breadth of our services differentiates us from our competitors. We plan to continue to expand our offerings by including new types of energy efficiency services, products and improvements to existing products based on technological advances in energy savings strategies, equipment and materials. Examples of services that we have added to complement our energy efficiency services include asset planning, new construction, waste reduction, water conservation, demand response, management of utility and non-utility invoices and web-based software for tracking of a customer's carbon footprint, electrical distribution upgrades, meters with communication capabilities, transformer replacements and power factor correction. Through our acquisition of Southwestern Photovoltaics in 2007, we significantly expanded our offering of solar energy products, which enabled us both to integrate solar solutions into broad energy efficiency projects and to target projects based specifically on solar energy. We plan to seek similar opportunities to broaden our offerings of complementary products and services.
- *Meet Market Demand for Cost-Effective, Environmentally-Friendly Solutions.* We believe that addressing climate change will remain a global theme for governmental, institutional and commercial organizations. Through our energy efficiency measures and small-scale renewable energy plants and products, we enable customers to conserve energy and reduce emissions of carbon dioxide and other pollutants. We plan to continue to focus on providing sustainable energy solutions that will address the growing demand for products and services that create environmental benefits for customers.
- *Increase Recurring Revenue.* We intend to continue to seek opportunities to increase our sources of recurring revenue. For many of our energy efficiency projects, we enter into multi-year O&M contracts, and we plan to continue to grow both the number and scope of such contracts. We also obtain recurring revenue from sales of electricity, thermal energy and gas generated by the small-scale renewable energy and central plants that we construct and own, and we plan to continue to seek opportunities to construct such plants based on LFG, biomass, biogas, solar, wind, geothermal and other sources of energy.
- *Grow through Select Strategic Acquisitions.* We have been able to accelerate the expansion of our service offerings, customer base and geographic reach through targeted acquisitions. We will continue to follow a disciplined approach in evaluating and valuing potential acquisition candidates. We plan to pursue complementary acquisitions that will enable us to both expand geographically in North America and abroad, and broaden our product and service offerings.

Ameresco's Products and Services

We offer a comprehensive set of services that includes the design and installation of upgrades to a facility's energy infrastructure, the design and construction of renewable energy plants, the sale of other renewable energy products and the arranging of financing for customer projects.

Energy Efficiency Services

Our services typically includes the design, engineering and installation of, and the arranging of financing for, equipment to improve the efficiency, and control the operation, of a building's heating, ventilation, cooling and lighting systems. In certain projects, we also design and construct a central plant or cogeneration system providing power, heat and/or cooling to a building. Our projects generally range in size and scope from a one-month project to design and retrofit a lighting system to a more complex 30-month project to design and install a central plant or cogeneration system.

At the commencement of a project, we typically evaluate the customer's energy needs and opportunities to reduce costs. We start by reviewing and analyzing the customer's utility and other energy bills, using in complex cases our proprietary AXIS software for bill scanning and analyses. Our in-house personnel can, for example, analyze whether a customer is eligible for lower rates in a different utility rate class. Our experienced engineers then review and assess the customer's current energy systems and determine how to optimize federal, state or local energy, utility and environmental-based payments or credits available for usage reductions or renewable power generation. Upon customer approval of a project, our engineers, with the assistance in some cases of local or specialized engineers, design and engineer the project.

Energy Efficiency Measures

In designing a project for a customer, we typically include a combination of the following energy efficiency measures:

- *Boilers and Furnaces.* We replace low efficiency boilers and furnaces with higher efficiency equipment. In addition, to reduce emissions, we can install emissions controls or either modify existing equipment or install new equipment to use cleaner fuels. We can also install biomass boilers for customers that have access to organic materials, such as waste from agricultural or food processing activities.
- *Chillers.* Small buildings are cooled by air conditioners and large buildings are cooled by chillers. We replace older low efficiency chillers with new higher efficiency chillers capable of delivering the same cooling with less energy input, often eliminating the use of atmospheric ozone depleting chlorofluorocarbon-based refrigerants in the process. We retrofit existing chillers with new, more sophisticated, automated controls, high efficiency motors and variable speed drives to improve efficiency in cases where complete equipment replacement is not necessary. If the customer has an on-site source of recoverable waste heat, we may replace an electric chiller with an absorption chiller that can utilize the waste heat to directly produce cooling with reduced need to purchase energy for chiller operation.
- *Central Plants.* Customers that have multiple buildings in close proximity on a site may benefit from installation of a single central plant to provide power, heat or cooling to these buildings. The central plant typically contains multiple large boilers, chillers or combined heat and power, or CHP, systems to handle the combined requirements of all site buildings. Pipes are installed to distribute steam, hot water or chilled water from the central plant to the individual buildings. Any centrally generated power is delivered via interconnection with the existing site-wide electrical distribution system. A central plant allows the multiple smaller and less energy efficient individual building heating and cooling plants to be decommissioned. In addition to improved energy efficiency, centralization can create other scale benefits in operating labor, equipment maintenance and operating reliability. Where a customer already has a central plant, we can improve the efficiency of the plant by implementing improved equipment controls and by retrofit or replacement of existing equipment for enhanced energy efficiency.
- *Cogeneration or Combined Heat and Power.* CHP systems produce both heat and power simultaneously at a customer site, displacing power purchases from the utility grid and conventional sources of heat generation at the customer facility. When utilities produce power at large central station plants, the heat produced as a byproduct of the power generation process is

typically wasted via disposal to the atmosphere or a nearby waterway. This wasted heat is generally a majority of the energy value of the input fuel to the power generation process. With on site power generation, the waste heat can be recovered from the power generation process and used as a substitute for heat that would otherwise be generated using site purchased fuels. Through use of heat driven chillers, also known as absorption chillers, this recovered heat can also be employed to provide building cooling. For facilities with large and relatively constant needs for power and heat or cooling, the cost of fuel for the cogeneration system operation can often be less than the cost of the purchased utility power and conventional heating fuel that is displaced. Installing a CHP that uses a lower-cost fossil fuel or a renewable fuel source can create further economic benefits.

- *Energy Management Systems.* Automating building system adjustments for optimum performance under changing building operating conditions is one of the most cost effective energy saving strategies. We install energy management system, or EMS, projects consisting of small computers, wiring or wireless communication systems, and sensors and controllers located at energy-using equipment and at locations that need monitoring for such conditions as temperature and flow. Equipment that may be controlled through an energy management system includes lights, boilers, chillers, and fans and pumps that move energy throughout a building. We program the computers to automatically turn the equipment on and off or to adjust equipment operating setpoints for lower energy use in response to monitored conditions. For example, when the outdoor air is cool and the building requires cooling, instead of turning on the chillers to cool the building, the EMS may turn on building fans to draw the cool outside air into the building and significantly reduce the energy use under that condition. Both we and the customer can access the EMS information through a personal computer and reprogram the energy-saving strategies through secure, hard-wired or web-based communications systems.
- *Lighting.* We replace lighting system components with more efficient components in both indoor and outdoor lighting systems. We may alternatively redesign and install a new lighting system. Typical measures include replacing incandescent lighting with compact fluorescent lighting, metal halide lighting with fluorescent lighting and low efficiency fluorescent lighting with higher efficiency fluorescent lighting. Also, lighting controls may be installed to turn off lights when the lit space is unoccupied or if natural light through windows or skylights is adequate.
- *Retro-commissioning.* Over time, the performance of building systems can degrade due to a variety of factors, such as a failure of dampers, actuators and switches to operate in accordance with the building control system or modifications to equipment without taking into account their interaction with other building systems. Cumulatively, these factors can lead to significant increased energy consumption and reduce the quality of the indoor environment. Through a retro-commissioning process, we systematically repair and restore building equipment and systems so that they function together in an optimal manner to enhance overall building performance.
- *Motors.* The energy cost over the life of a motor is often many times the original cost of the motor. We replace older low efficiency motors with new higher efficiency motors. Often, motors are over-sized for the application and additional savings can be attained by replacing an existing motor with an appropriately sized motor. We may also replace the sheave and belt drives associated with motors so that the motor output is transmitted to the driven device with reduced energy loss.
- *Variable Speed Drives or Variable Frequency Drives.* Motors driving building equipment such as fans, pumps, chillers and elevators are typically selected and operated at the size and speed necessary to deliver services under worst case or peak load conditions. This causes inefficiencies when operating at less than peak load conditions. We install electronic devices called variable speed drives, or VSDs, that automatically adjust the characteristics of the power supplied to a motor so that the motor is operated at only the speed necessary to meet the load conditions at any time.

- *Electric Load Shaping.* Many customers pay an energy charge per kWh of electricity used and a demand charge based on their highest or peak use of electricity in a 15 minute period during the month. By installing an EMS or an on-site generator and controlling the system using our monitoring and analysis of the customer's electricity use, we can reduce the customer's peak electricity use and thus its demand charge. We may also shift energy use from expensive on-peak (weekday) periods to less expensive off-peak periods (nights and weekends). For example, by adding chilled water storage tanks to a facility, cooling systems can be operated at night to generate stored chilled water and the chilled water can then be withdrawn to cool the building during the next day without operating the cooling equipment during daytime peak periods.
- *Utility Rate Reductions.* A customer's cost of gas and electricity is a function of how much energy is used and what rate the customer is charged for the energy. We analyze a customer's energy use and the various utility rates that the customer is eligible to select. By switching a customer to the optimal rate, the customer can typically save energy costs. We may be able to switch a customer into a better rate by installing an EMS or an on-site generator.
- *Geothermal Heat Pumps.* Heat pumps are designed to efficiently provide both heat and cooling to a facility. The geothermal heat pump system works to store and recapture energy from the ground on a seasonally advantageous basis. Beneath the surface, the earth is warmer than the air in winter and cooler than the air in summer. Using the heat pump, heat removed from a building to cool it during the summer can be stored in the ground. This stored heat can then be withdrawn by the heat pump in the winter to provide necessary building heating. We install piping loops in the ground and heat pumps in buildings. Water piped underground captures the stored geothermal energy and heat pumps deliver the energy efficiently to the building interior.
- *Window Replacement.* Existing windows are often the most inefficient component of a building envelope. We may replace existing inefficient windows with new windows with features that more effectively control the sources of window heat transfer.
- *Roofs.* An existing roof with inadequate insulation levels or with water damage compromising the effectiveness of insulation is a source of unnecessary energy waste. We replace existing roofs with new roofs with higher insulation levels to reduce heat losses in winter and heat gains in summer. We may employ membrane roof technology for better protection of the insulation against degradation.
- *Insulation.* Insulating materials reduce unwanted transfer of heat that can increase energy usage. We apply additional insulation to building shell components, such as walls, ceilings, floors and foundations, to reduce heat loss in winter and heat gain in summer. We may add to or fully replace existing insulation on equipment such as piping, storage tanks and heat exchangers to reduce energy losses and the equipment inefficiency that results from these losses.
- *Asset Planning.* Asset planning tools enable organizations to identify and prioritize current and future facility renewal requirements and associated capital-investment needs. We have developed software that helps organizations measure the condition of their facilities, the costs necessary to improve the facilities and make them more energy efficient and the funding alternatives for any such improvements. Our asset planning tools enable customers to develop facility renewal plans that will effectively leverage their available sources of capital and meet their future needs.
- *Demand Response and Demand-Side Management.* Electric utilities and regional or independent system operators, or ISOs, are responsible for ensuring that power is available at all times throughout a region's electrical transmission and distribution system. It is expensive to provide power during peak times such as a hot summer afternoon when customers are turning on their air conditioners and chillers. Utilities and ISOs seek to reduce the peak load demand and are willing to pay customers to reduce their power usage at these times, either during pre-arranged hours or in response to a call to reduce power. We help utilities and ISOs to attract customers to their programs and coordinate the customers' participation in the programs. Typically we enter

into a contract with a utility or ISO, market the program to customers, and share contract payments with the customers.

- *Utility Data Management.* We have developed proprietary software and systems that allow us to efficiently collect, optically scan, enter into a data base and perform analysis on information from customer utility bills. Using these systems, we can deliver a variety of services, including centralized and automated collection, processing and preparation for payment of utility billing information; identification of errors in utility metering or billings; aggregation of multiple location billings from a single utility to facilitate payment; modeling of available utility tariff rates against a database of historical energy use to identify the most economical rate; and analysis of utility use data in multiple ways to identify and report usage and cost trends, variances and performance relative to benchmarks.
- *Carbon Emissions Tracking.* Our carbon management program provides greenhouse gas, or GHG, emissions accounting and reporting services to our customers. With an international, multi-tiered approach, we can support a wide variety of GHG accounting and reporting standards, including utility-based GHG and full ISO 14064 compliance reporting. This service helps customers, for example, to develop corporate social responsibility reports and prepare for an audit of their GHG emissions.

We typically purchase the equipment for our projects either from local vendors or, in certain cases, from vendors with which we have a company-wide relationship. Our large volume of equipment purchases enables us to achieve cost-efficiencies with our significant vendors. In most cases, we use local subcontractors to install the purchased equipment in accordance with our design and under the supervision of our project manager.

Customer Arrangements

For our energy efficiency projects, we typically enter into ESPCs under which we agree to develop, design, engineer and construct a project and also commit that the project will satisfy agreed-upon performance standards that vary from project to project. These performance commitments are typically based on the design, capacity, efficiency or operation of the specific equipment and systems we install. Our commitments generally fall into three categories: pre-agreed, equipment-level and whole building-level. Under a pre-agreed energy reduction commitment, our customer reviews the project design in advance and agrees that, upon or shortly after completion of installation of the specified equipment comprising the project, the commitment will have been met. Under an equipment-level commitment, we commit to a level of energy use reduction based on the difference in use measured first with the existing equipment and then with the replacement equipment. A whole building-level commitment requires demonstration of energy usage reduction for a whole building, often based on readings of the utility meter where usage is measured. Depending on the project, the measurement and demonstration may be required only once, upon installation, based on an analysis of one or more sample installations, or may be required to be repeated at agreed upon intervals generally over periods of up to 20 years.

Under our contracts, we typically do not take responsibility for a wide variety of factors outside our control and exclude or adjust for such factors in commitment calculations. These factors include variations in energy prices and utility rates, weather, facility occupancy schedules, the amount of energy-using equipment in a facility, and failure of the customer to operate or maintain the project properly. Typically, our performance commitments apply to the aggregate overall performance of a project and not to individual energy efficiency measures. Therefore, to the extent an individual measure underperforms, it may be offset by other measures that overperform during the same period. In the event that an energy efficiency project does not perform according to the agreed-upon specifications, our agreements typically allow us to satisfy our obligation by adjusting or modifying the installed equipment, installing additional measures to provide substitute energy savings, or paying the customer for lost energy savings based on the assumed conditions specified in the agreement. Many of our equipment supply, local design, and installation subcontracts contain provisions that enable us to seek recourse against our vendors or subcontractors if there is a deficiency in our energy reduction commitment. From our inception to March 31, 2010, our total payments to customers and incurred costs under our energy reduction commitments, after customer acceptance of a project, have been less than $100,000 in the aggregate. See “Risk Factors — We may have liability to our customers under our ESPCs if our projects fail to deliver the energy use reductions to which we are committed under the contract.”

The projects that we perform for governmental agencies are governed by particular qualification and contracting regimes. Certain states require qualification with an appropriate state agency as a precondition to performing work or appearing as a qualified energy service provider for state, county and local agencies within the state. Most of the work that we perform for the federal government is performed under IDIQ agreements between government agencies and us or our subsidiaries. These IDIQ agreements allow us to contract with the relevant agencies to implement energy projects, but no work may be performed unless we and the agency agree on a task order or delivery order governing the provision of a specific project. The government agencies enter into contracts for specific projects on a competitive basis. We and our subsidiaries and affiliates are currently party to an IDIQ agreement with the U.S. Department of Energy, expiring in 2019, with an aggregate maximum potential ordering amount of $5 billion. Payments by the federal government for energy efficiency measures are based on the services provided and products installed, but are limited to the savings derived from such measures, calculated in accordance with federal regulatory guidelines and the specific contract terms. The savings are typically determined by comparing energy use and O&M costs before and after the installation of the energy efficiency measures, adjusted for changes that affect energy use and O&M costs but are not caused by the energy efficiency measures.

Engineering and Installation Controls

Our engineering and construction quality, schedule and budget goals are managed through several control processes. We follow formal processes for the review and approval of the technical and economic content of all proposals by senior managers. Our engineers employ standardized, and in some cases proprietary, software tools for technical and economic analysis to establish a baseline for quality and accuracy during the development stage of our projects. We fully review final design, engineering and construction document preparation efforts at selected milestones, using internal or subcontracted specialized engineering resources. During the construction phase, a construction project management team utilizes a number of tools to manage quality, cost and schedule. We use agreement templates, customized to meet the specific technical requirements of each project, to ensure well defined procedures and responsibilities to be followed by our equipment suppliers and labor subcontractors. We use scheduling software to prepare, regularly update and communicate project schedules at a task specific level. Inspections of work progress and quality are conducted throughout the construction process at frequent intervals. Both project managers and senior management use a computerized project control system throughout the project delivery process to track actual project costs against project budgets on a real-time basis. In addition, we employ a full-time, dedicated safety director who is responsible for developing and promulgating best practices and training throughout the organization and working with our regional safety coordinators to ensure appropriate procedures are in place at all job sites.

Operations and Maintenance Services

After a project is completed, we often provide ongoing O&M services under a multi-year contract. These services include operating, maintaining and repairing facility energy systems such as boilers, chillers and building controls, as well as central power plants. For larger projects, we often maintain staff on-site to perform these services.

Renewable Energy Projects and Products

Our services offering includes the development, construction and operation of, and the arrangement of financing for, small-scale renewable energy plants, as well as the sale and integration of solar energy products and systems.

We have constructed and are currently designing and constructing a wide range of renewable energy plants using LFG, wastewater treatment biogas, solar, wind, biomass, food waste, animal waste and hydro sources of energy. Most of our renewable energy projects to date have involved the generation of electricity from LFG or the sale of processed LFG. LFG is created by the action of micro-organisms within a landfill that generate methane gas as a byproduct of solid waste decay. Generally, landfills avoid the unsafe build up of methane-containing LFG by venting it into the atmosphere, or in most cases, by collecting and flaring it. As methane is suspected of contributing to global climate change and is regulated as a pollutant, landfill owners are generally required by environmental laws to collect and combust LFG, usually in a flare. We purchase the LFG that otherwise would be combusted or vented, process it, and either sell it or use it in our energy plants. Electricity that we sell is generally delivered to the customer at the interconnection of our plant with the electrical grid. The thermal energy that we sell is generally delivered to the customer at the inlet flange of the thermal piping located at the customer's facilities. The processed LFG we sell to industrial customers is generally delivered by us to the customer's facility through a pipeline transmission system that we design, construct and operate. Under our energy supply agreements, we typically provide all environmental attributes associated with the project, including those represented by renewable energy certificates, to the customer.

Depending on the customer's preference, we will either build, own and operate the completed plant or build it for the customer to own. We generally sell the electricity, gas, heat or cooling generated by small-scale plants that we own under long-term contracts, typically to utilities, industrial facilities or other large users of energy. For an LFG-based plant, the output will typically be sold under a sales agreement with a term covering ten to 20 years of plant operation. The right to use the site for the energy plant, and the purchase of the renewable energy needed to fuel the plant, are also obtained under long-term agreements with terms at least as long as that of the associated output sales agreement. Our projects are generally designed and permitted by our own engineers, although we often obtain additional engineering assistance from consulting engineers. We generally subcontract installation of project equipment, under the supervision of our construction manager.

As part of our renewable energy offering, we also distribute and integrate solar energy products manufactured by several vendors. We are a distributor of PV panels, solar regulators, solar charge controllers, inverters, solar-powered lighting systems, solar-powered water pumps, solar panel mounting hardware and other system components. We also integrate our PV products and system components into solar solutions designed specifically for customers. We provide solar energy solutions for both on-grid applications where the solar power is used in a building connected to a utility distribution system, and for off-grid applications where the power is used directly in the device using the electricity, such as traffic signs.

We also design and construct renewable energy plants based on wind power. In many parts of the country, available wind resources, utility net metering and local incentives can make on-site wind generation a viable solution for meeting a significant portion of customers' energy needs. As of December 31, 2009, we had completed two projects that included a wind turbine.

In addition, we have constructed, and are constructing, small-scale renewable energy plants based on biomass. Biomass is organic material such as wood, agricultural waste, animal waste and waste from food processors. Biomass is typically converted to energy by burning or gasifying it in a boiler to produce steam or gas. Our largest renewable energy plant is currently under construction and will use biomass as the primary source of energy.

As of December 31, 2009, we had constructed more than 25 renewable energy plants, and owned and operated 19 renewable energy plants. Of the owned plants, 18 are renewable LFG plants. These 18 plants have the capacity to generate electricity or deliver LFG producing an aggregate of 83 MW (megawatts) or MWE (megawatt-equivalents). As of December 31, 2009, we had signed contracts for the construction, operation and ownership of an additional three LFG plants, two wastewater treatment biogas plants, two biomass power and cogeneration plants and five biomass boiler projects. If and when completed, we expect that the LFG plants will be capable of producing an aggregate of approximately 15 MW or MWE, the biogas plants will be capable of producing an aggregate of approximately eight MW or MWE, the biomass power and cogeneration plants will be capable of producing approximately 21 MWs, and the biomass boiler projects will be capable of producing approximately 41 million BTU per hour of steam or hot water.

Examples of Energy Efficiency and Renewable Energy Projects

The following are examples of energy efficiency and renewable energy projects we have designed and either have installed or are installing for customers. While most of our projects are less complex and smaller in scope than those shown below, these examples are intended to demonstrate how various different types of energy efficiency measures and renewable energy plants can be combined to create a customized solution addressing the multiple needs of a customer.

Elmendorf Air Force Base (Alaska). Elmendorf Air Force Base had an inefficient, costly-to-operate central heating and power plant and approximately 50 miles of aging steam and condensate distribution piping. We modernized the heating system by demolishing the central plant and installing over 200 boilers and 20 alternate heating systems in over 120 commercial facilities. We worked with the local gas utility to install approximately seven miles of gas pipeline to serve the new, decentralized boilers and negotiated a new gas and electric service for the Base with the local utilities. We also installed over 800 energy efficient steam traps and abated over 125 steam pits throughout the base. The $49 million project is designed to save approximately $4 million of energy and energy-related O&M costs per year. This work was completed in 2008. We provide a full-time staff of four people at the base and have contracted to perform approximately $22 million of fixed price O&M services throughout the 22-year performance period term of our agreement.

Hill Air Force Base (Utah). Hill Air Force Base was seeking to upgrade its inefficient energy systems and maximize the use of renewable energy sources including using gas from an off-base landfill to lower its energy costs. In response, during the period from 2005 to 2009, we designed and installed $17.7 million of energy efficiency and renewable energy projects which are designed to save approximately $2.1 million of energy costs per year. The energy efficiency projects include the installation of a wide range of high efficiency lighting, heating and cooling systems and associated controls for these and other energy-consuming equipment. The Base also provides compressed air, steam, water cooling and wastewater treatment services to a nearby industrial area. We upgraded and control these systems to reduce the disposal of hazardous materials and the loss of steam, water and electricity. The renewable energy projects include a 210 kW ground-mounted solar PV array and an LFG project involving the purchase of gas from the Davis County landfill, piping the gas over one mile to the base, processing the gas and producing approximately 2.25 MW of power. We operate and maintain the LFG project, the PV project, and the steam traps in the heating distribution system with an on-site operator and the remote support of two engineers for a fixed price of $0.9 million per year under a 20 year contract. We believe the PV system was the largest in Utah at the time it was installed.

State of Missouri Correctional Facilities. The State of Missouri and Columbia Water & Light were seeking to lower and stabilize their energy costs by purchasing thermal energy and electricity, respectively, from a cogeneration facility fueled by LFG from the Jefferson City Landfill owned by a subsidiary of Republic Services, Inc. The State of Missouri also wanted to upgrade its inefficient energy systems at two state-owned correctional facilities, Algoa and Jefferson City. In 2009 we completed the design and installation of $7.6 million of energy efficiency improvements and the design, financing and installation of a 3.2 MW $10.4 million cogeneration facility, which together are designed to save approximately $0.7 million of energy costs per year. The energy efficiency measures include the installation of high efficiency lighting systems, electrical system improvements, steam traps to reduce steam losses and controls for various energy-using equipment within the correctional facilities. The LFG project, which we own, purchases LFG from Republic, processes the gas and then pipes it approximately three miles to the Jefferson City Correctional Facility to use as a fuel source in our cogeneration facility that produces electricity and thermal energy. Columbia Water & Light purchases the power at a fixed rate per kWh for all electricity that is delivered. The State of Missouri has a take or pay obligation for a minimum amount of thermal energy at a fixed price.

Porta Community Unit School District (Illinois). Porta Community Unit School District #202 was seeking to lower and stabilize its operating costs and improve its educational environment. To achieve this goal, we designed, installed and completed in 2009 a $7.6 million energy efficiency and renewable energy project, which is designed to save over $0.4 million of energy and operating costs per year. The project includes energy efficient lighting retrofits, re-commissioning and upgrade of the existing heating, ventilation and air conditioning control system, domestic hot water system upgrades and swimming pool heating system upgrades. The project also includes the design and construction of a geothermal heating and cooling system to heat and cool the building. In addition, we installed a one kW PV energy system and a 600 kW wind energy generating system. When the wind turbine generates more electricity than the district can use, the excess electricity is sold to the local utility under a net metering arrangement. We believe the district is the first school district in Illinois to employ a combination of geothermal, solar and wind renewable technologies.

BMW (South Carolina). BMW was seeking to lower and stabilize its energy costs, and Waste Management was seeking to monetize the value of the LFG produced at its Palmetto Landfill. To achieve these goals, in 2003, we completed the development, design, construction and financing for the $11.4 million project to process and deliver LFG to BMW's factory and refurbish BMW's boilers and turbines to be able to utilize the LFG fuel. BMW also uses the LFG to provide energy for its paint shop, incinerator and pollution control devices. This project involves buying LFG from Waste Management at its Palmetto Landfill, processing and compressing the LFG adjacent to the landfill and piping the LFG approximately 9.5 miles for delivery to BMW. Over the period from 2005 to 2009, the project has delivered from 0.88 to 1.17 million BTU annually. BMW pays for the LFG under a multi-year supply contract. Our delivery obligations are limited to those volumes of LFG supplied to us by Waste Management. In 2009, BMW announced that the project produces over 60% of the plant's total energy requirements, saving BMW an average of $5 million in energy costs annually while reducing carbon dioxide emissions by approximately 92,000 tons per year.

U.S. Department of Energy Savannah River Site (South Carolina). The Savannah River Site, or SRS, utilizes steam and power for process and heating loads currently generated from an aging and inefficient coal power plant. We are currently constructing a 20.7 MW cogeneration plant to replace this coal power plant. The cogeneration plant will use fuel from forest residue, scrap tires, pallets and other clean wood and is scheduled to come on-line in December 2011. We will install two ten million BTU per hour wood-fired heating plants at other SRS locations to replace an old and inefficient fuel oil heating plant. These smaller plants are scheduled to come on-line in November 2010. This $183.4 million project is designed to save approximately $35 million of energy and energy-related O&M costs per year. We will provide a full-time staff of 20 to 25 people at the new plant and have contracted to perform approximately $17 million of O&M services annually, at escalating fixed rates, throughout the 19-year performance period of the agreement.

City of Vancouver (British Columbia, Canada). The City of Vancouver was seeking to implement a comprehensive greenhouse gas reduction project in its larger facilities. From 2007 to 2010, we designed and installed two-phases of work, with an additional third-phase expected to be completed by October 2010. This comprehensive $15.4 million energy efficiency and facility renewal project includes boiler plant replacements in 18 facilities, comprehensive lighting upgrades, HVAC upgrades, solar hot water, desiccant dehumidification and low-emissivity ceilings and heat recovery in ice rinks. The project is designed to save $0.9 million per year in energy costs.

Sales and Marketing

Our sales and marketing approach is to offer customers customized and comprehensive energy efficiency solutions tailored to meet their economic, operational and technical needs. The sales, design and construction process for energy efficiency and renewable energy projects typically takes from 12 to 36 months, with sales to federal governmental and housing authority customers tending to require the longest sales processes. We identify project opportunities through referrals, requests for proposals, or RFPs, conferences, web searches, telemarketing and repeat business from existing customers. Our direct sales force develops and follows up on customer leads and, in some cases, works with customers to develop their RFPs. By working with customers prior to the issuance of an RFP, we can gain a deeper understanding of the customers' needs and the scope of the potential project. As of March 31, 2010, we had 108 sales people.

In preparation for a proposal, we typically conduct a preliminary audit of the customer's needs and the opportunity to reduce its energy costs. We start by reading and analyzing the customer's utility and other energy bills. If the bills are complex or numerous, we employ our proprietary AXIS software for bill scanning and analysis. Our experienced engineers visit and assess the customer's current energy systems. Through our knowledge of the federal, state, local governmental and utility environment, we assess the availability of energy, utility or environmental-based payments for usage reductions or renewable power generation, which helps us optimize the economic benefits of a proposed project for a customer. If we are awarded a project, we perform a more detailed audit of the customer's facilities, which serves as the basis for the final specifications of the project and final contract terms.

For renewable energy plants that are not located on a customer's site or use sources of energy not within the customer's control, the sales process also involves the identification of sites with attractive sources of renewable energy, such as a landfill or a site with high wind, and obtaining necessary rights and governmental permits to develop a plant on that site. For example, for LFG projects, we start with gaining control of a LFG resource located close to the prospective customer. For solar and wind projects, we look for sites where utilities are interested in purchasing renewable energy power at rates that are sufficient to make a project feasible. Where governmental agencies control the site and resource, such as a landfill owned by a municipality, the customer may be required to issue an RFP to use the site or resource. Once we believe we are likely to obtain the rights to the site and the resource, we seek customers for the energy output of the potential project.

Customers

In 2009, we served more than 1,000 customers in 49 states in the United States and seven Canadian provinces. Our customers include government, education, utility, healthcare and other institutional, industrial and commercial customers. Outside North America, we have constructed projects for U.S. naval bases in Europe, and also sell our off-grid PV systems. In 2007, 2008 and 2009, no single customer accounted for more than ten percent of our total revenue. In 2009, the largest 20 customers accounted for approximately 37% of our revenue. During the first quarter of 2010, one customer, the U.S. Department of Energy, Savannah River Site, accounted for 14.1% of our total revenue. In 2009, approximately 85% of our revenue was derived from sales to federal, state, provincial or local governmental entities. Our 20 largest customers in 2009, by revenue, in alphabetical order, were:

Belleville Township High School District 201 (Belleville, Illinois)

Bethlehem Pennsylvania Housing Authority (Bethlehem, Pennsylvania)

Chicago Housing Authority (Chicago, Illinois)

City of Henderson, Nevada

Franklin County, Ohio

Freeport Unified School District (Freeport, New York)

Hamilton-Wentworth District School Board (Hamilton, Ontario)

Hastings Prince Edward District School Board (Belleville, Ontario)

Los Angeles Community College District

Medical University of South Carolina (Charleston, South Carolina)

Portsmouth Naval Shipyard (Portsmouth, New Hampshire)

Prairie Valley School District (Regina, Saskatchewan)

Providence Housing Authority (Providence, Rhode Island)

Rainbow District School Board (Sudbury, Ontario)

U.S. Department of Energy, Savannah River Site (South Carolina)

Toronto Community Housing (Toronto, Ontario)

U.S. Army — Adelphi Laboratory Center (Maryland)

University City School District (University City, Missouri)

Wolf Branch School District (Swansea, Illinois)

Worcester Housing Authority (Worcester, Massachusetts)

Competition

While we face significant competition from a large number of companies, we believe few offer the full range of services that we provide.

Our principal competitors include Chevron Energy Solutions, Constellation Energy, Honeywell, Johnson Controls, Siemens Building Technologies and TAC Energy Solutions. We compete primarily on the basis of our comprehensive, independent offering of energy efficiency and renewable energy services and the breadth and depth of our expertise.

For renewable energy plants, we compete primarily with many large independent power producers and utilities, as well as a large number of developers of renewable energy projects. In the LFG market, our principal competitors include national project developers and owners of landfills which self-develop projects using LFG from their landfills. For the sale of solar energy products and systems, we face numerous competitors ranging from small web-based companies that sell components to PV module manufacturers and other multi-national corporations that sell both products and systems. We compete for renewable energy projects primarily on the basis of our experience, reputation and ability to identify and complete high quality and cost-effective projects.

In addition, we may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our energy efficiency and renewable energy projects and services. We also encounter competition in the form of potential customers electing to develop solutions or perform services internally rather than engaging an outside provider such as us.

Many of our competitors have longer operating histories and greater resources than we do, and we may be unable to continue to compete effectively against our current competitors or additional companies that may enter our markets.

Regulatory

Various regulations affect the conduct of our business. Federal and state legislation and regulations enable us to enter into ESPCs with government agencies in the United States. The applicable regulatory requirements for ESPCs differ in each state and between agencies of the federal government.

Our projects must conform to all applicable electric reliability, building and safety, and environmental regulations and codes, which vary from place to place and time to time. Various federal, state, provincial and local permits are required to construct an energy efficiency project or renewable energy plant.

Renewable energy projects are also subject to specific governmental safety and economic regulation. States and the federal government typically do not regulate the transportation or sale of LFG unless it is combined with and distributed with natural gas, but this is not uniform among states and may change from time to time. The sale and distribution of electricity at the retail level is subject to state and provincial regulation, and the sale and transmission of electricity at the wholesale level is subject to federal regulation. While we do not own or operate retail-level electric distribution systems or wholesale-level transmission systems, the prices for the products we offer can be affected by the tariffs, rules and regulations applicable to such systems, as well as the prices that the owners of such systems are able to charge. The construction of power generation projects typically is regulated at the state and provincial levels, and the operation of these projects also may be subject to state and provincial regulation as “utilities.” At the federal level, the ownership, operation, and sale of power generation facilities may be subject to regulation under PURPA, the FPA and PHUCA. However, because all of the plants that we have constructed and operated to date are small power “qualifying facilities” under PURPA, they are subject to less regulation by the FPA, PHUCA and related state utility laws than traditional utilities.

If we pursue projects employing different technologies or with electrical capacities greater than 20 MW, we could become subject to some of the regulatory schemes which do not apply to our current projects. In addition, the state, provincial and federal regulations that govern qualifying facilities and other power sellers frequently change, and the effect of these changes on our business cannot be predicted.

LFG-based power generation facilities require an air emissions permit, which may be difficult to obtain in certain jurisdictions. Renewable energy projects may also be eligible for certain governmental or government-related incentives from time to time, including tax credits, cash payments in lieu of tax credits, and the ability to sell associated environmental attributes, including carbon credits. Government incentives and mandates typically vary by jurisdiction.

Some of the demand-reduction services we provide for utilities and institutional clients are subject to regulatory tariffs imposed under federal and state utility laws. In addition, the operation of, and electrical interconnection for, our renewable energy projects are subject to federal, state or provincial interconnection and federal reliability standards also set forth in utility tariffs. These tariffs specify rules, business practices and economic terms to which we are subject. The tariffs are drafted by the utilities and approved by the utilities' state, provincial or federal regulatory commissions.

Employees

As of March 31, 2010, we had a total of 649 employees in offices located in 29 states and four Canadian provinces.

Legal Proceedings

In the ordinary conduct of our business we are subject to periodic lawsuits, investigations and claims. Although we cannot predict with certainty the ultimate resolution of such lawsuits, investigations and claims against us, we do not believe that any currently pending or threatened legal proceedings to which we are a party will have a material adverse effect on our business, results of operations or financial condition.

Facilities

Our corporate headquarters is located in Framingham, Massachusetts, where we occupy approximately 20,000 square feet under a lease expiring on June 30, 2016. We occupy seven regional offices in Oak Brook, Illinois; Columbia, Maryland; Charlotte, North Carolina; Knoxville, Tennessee; Tomball, Texas; Spokane, Washington; and North York, Ontario, each less than 25,000 square feet, under lease or sublease agreements. In addition, we lease space, typically less than 5,000 square feet, for 46 field offices throughout North America. We also own 21 small-scale renewable energy and central plants throughout North America, which are located on leased sites or sites provided by customers. We expect to add new facilities and expand existing facilities as we continue to add employees and expand our business into new geographic areas.

MANAGEMENT

Executive Officers and Directors

Our executive officers and directors, their current positions and their ages as of April 30, 2010 are set forth below:

Name	Age	Position (s)
George P. Sakellaris	63	Chairman of the Board of Directors, President and Chief Executive Officer
David J. Anderson	49	Executive Vice President, Business Development and Director
Michael T. Bakas	41	Senior Vice President, Renewable Energy
David J. Corrsin	51	Executive Vice President, General Counsel and Secretary and Director
William J. Cunningham	51	Senior Vice President, Corporate Government Relations
Joseph P. DeManche	53	Executive Vice President, Engineering and Operations
Keith A. Derrington	50	Executive Vice President and General Manager, Federal Operations
Mario Iusi	51	President, Ameresco Canada
Louis P. Maltezos	43	Executive Vice President and General Manager, Central Region
Andrew B. Spence	53	Vice President and Chief Financial Officer
William M. Bulger	76	Director(3)
Michael E. Jesanis	53	Director(1), (2)
Guy W. Nichols	85	Director(1), (3)
Joseph W. Sutton	62	Director(1), (2)

(1) Member of audit committee.

(2) Member of compensation committee.

(3) Member of nominating and corporate governance committee.

George P. Sakellaris: Mr. Sakellaris has served as chairman of our board of directors and our president and chief executive officer since founding Ameresco in 2000. Mr. Sakellaris previously founded Noresco, an energy services company, in 1989 and served as its president and chief executive officer until 2000. Noresco was acquired by Equitable Resources, Inc. in 1997. Mr. Sakellaris was a founding member and previously served as the president, and is currently a director, of the National Association of Energy Service Companies, a national trade organization representing the energy efficiency industry. We believe that Mr. Sakellaris is qualified to serve as a director because of his 31 years of experience in the energy services and renewable energy industries, his leadership experience, skill and familiarity with our business gained from serving as our chief executive officer for over a decade, as well as his experience developed through founding and serving as chief executive officer of two previous energy services companies.

David J. Anderson: Mr. Anderson has served as our executive vice president, business development, as well as a director, since 2000. From 1992 to 2000, Mr. Anderson was a senior vice president at Noresco. We believe that Mr. Anderson is qualified to serve as a director because of his extensive knowledge of our business, gained through more than a decade as an executive officer, and his more than 20 years of experience in the energy services and renewable energy industries. We also believe that Mr. Anderson brings a deep understanding of operations and strategy to our board of directors.

Michael T. Bakas: Mr. Bakas has served as our senior vice president, renewable energy, since March 2010. From 2000 to February 2010, he was our vice president, renewable energy. From 1997 to 2000, Mr. Bakas was director of energy services at Noresco.

David J. Corrsin: Mr. Corrsin has served as our executive vice president, general counsel and secretary, as well as a director, since 2000. From 1996 to 2000, Mr. Corrsin was executive vice president of Public Power International, Inc., an independent developer of power projects in south Asia and Europe. We believe that Mr. Corrsin is qualified to serve as a director because of his extensive experience with energy regulations, federal, state and local regulatory authorities and complex energy construction and financing projects, gained through more than 23 years of energy-related legal practice, and his more than a decade as an executive officer of our company.

William J. Cunningham: Mr. Cunningham has served as our senior vice president, corporate government relations since January 2008. From April 2007 to January 2008, he was a vice president at Dutko Worldwide, a public affairs and lobbying firm. From 2004 to 2006, Mr. Cunningham was senior vice president, corporate government relations, at Conseco Services, which is a subsidiary of Conseco, Inc., an insurance company.

Joseph P. DeManche: Mr. DeManche has served as our executive vice president, engineering and operations since 2002. Mr. DeManche joined the company as a result of our acquisition of DukeSolutions Inc., where he most recently served as executive vice president in charge of all commercial operations.

Keith A. Derrington: Mr. Derrington has served as our executive vice president and general manager, federal operations since April 2009. From 2004 to April 2009, Mr. Derrington was our vice president and general manager, federal operations. From 2000 to 2004, Mr. Derrington was vice president and general manager of the federal group of the ESPC business of Exelon, an electric utility.

Mario Iusi: Mr. Iusi has served as president of Ameresco Canada since 2002. From 1998 to 2002, he was president of DukeSolutions Canada, a subsidiary of Duke Energy, which we acquired in 2002.

Louis P. Maltezos: Mr. Maltezos has served as our executive vice president and general manager, central region, since April 2009. From 2004 until April 2009, Mr. Maltezos was our vice president and general manager, midwest region. From 1988 until 2004, Mr. Maltezos was with Exelon, where he most recently served as vice president and general manager of Exelon's ESPC business.

Andrew B. Spence: Mr. Spence has served as our vice president and chief financial officer since 2002. From 1997 to 2000, Mr. Spence was chief financial officer of ABB Energy Capital L.L.C. an energy-related financial services company.

William M. Bulger: Mr. Bulger has served as a director since 2001. From 2004 to 2009, Mr. Bulger served as an adjunct professor at Suffolk University and a part-time faculty member of the political science department at Boston College. From 1996 to 2003, Mr. Bulger was president of the University of Massachusetts. From 1970 to 1996, Mr. Bulger was a member of the Massachusetts State Senate, where he served as president from 1978 to 1996. Mr. Bulger was a director of New England Electric System until it was acquired by National Grid in 2000. We believe that Mr. Bulger is qualified to serve as a director because of his prior experience as a director of a large public utility. He has valuable experience serving as the leader of large, complex organizations gained through his legislative experience, and as president of the University of Massachusetts.

Guy W. Nichols: Mr. Nichols has served as a director since 2001. Prior to retiring in 1984, he was chairman, president and chief executive officer of New England Electric System. We believe that Mr. Nichols is qualified to serve as a director because of his extensive leadership experience in the energy, energy services and renewable energy industries, including as chief executive officer of New England Electric Systems. Mr. Nichols provides our board of directors with critical advice on strategy within the energy services industry.

Michael E. Jesanis: Mr. Jesanis has served as a director since April 2010. Since October 2007, Mr. Jesanis has served as a principal of Serrafix Corporation, a provider of strategic consulting, financing and logistical support to energy efficiency projects. From July 2004 to December 2006, Mr. Jesanis was president and chief executive officer of National Grid USA, a utility, where he had previously been chief financial officer. Mr. Jesanis currently serves on the board of directors of NiSource Inc., a utility holding company, and is a former director of National Grid plc, a utility company. We believe that Mr. Jesanis is qualified to serve as a director because of his extensive leadership experience in the energy, energy services and renewable energy industries, including as chief executive officer of National Grid USA.

Joseph W. Sutton: Mr. Sutton has served as a director since 2002. Since 2000, Mr. Sutton has been the manager of Sutton Ventures Group, LLC, an energy investment firm that he founded. In 2007, he founded and has since led Consolidated Asset Management Services, or CAMS, which provides asset management, O&M, information technology, budgeting, contract management and development services to power plant ventures, oil and gas companies, renewable energy companies and other energy businesses. From 1992 to November 2000, Mr. Sutton worked for Enron Corporation, an energy company, where he most recently served as vice chairman and as chief executive officer of Enron International. Enron Corporation filed a voluntary bankruptcy petition under Chapter 11 of the U.S. Bankruptcy Code in December 2001, 13 months after Mr. Sutton left Enron. We believe that Mr. Sutton is qualified to serve as a director because of his prior experience in the energy industry. For example, at both Sutton Ventures and CAMS, he has had significant experience in energy industry capital raising transactions, as well as in the ownership and management of, and the provision of advisory and other services to, a wide range of energy-related businesses. At Enron, Mr. Sutton was responsible for budgeting, financial reporting and planning for Enron's international business unit and oversaw the development, construction, financing, operation and management of numerous energy projects.

Composition of our Board of Directors

Our board of directors currently consists of seven members. We intend to expand our board of directors by one and add one additional independent director to our board of directors prior to the closing of this offering. Our directors hold office until their successors have been elected and qualified or until the earlier of their death, resignation or removal. There are no family relationships among any of our directors or executive officers.

In accordance with the terms of our restated certificate of incorporation and by-laws, our board of directors is divided into three classes, each of which consists, as nearly as possible, of one-third of the total number of directors constituting our entire board of directors and each of whose members serve for staggered three-year terms. As a result, only one class of our board of directors will be elected each year. Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires. The members of the classes are as follows:

- the class I directors are Messrs. Anderson, Bulger and Nichols, and their term expires at the annual meeting of stockholders to be held in 2011;
- the class II directors are Messrs. Corrsin, Sakellaris and Sutton, and their term expires at the annual meeting of stockholders to be held in 2012; and
- the class III directors are Messrs. Jesanis and   , and their term expires at the annual meeting of stockholders to be held in 2013.

Our restated certificate of incorporation and restated by-laws provide that the authorized number of directors comprising our board of directors may be changed only by resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. Our restated certificate of incorporation and restated by-laws also provide that our directors may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office. Our classified board could have the effect of delaying or discouraging an acquisition of Ameresco or a change in our management.

Director Independence

Under applicable NYSE rules, a director will qualify as "independent" if our board of directors affirmatively determines that he or she has no material relationship with Ameresco (either directly or as a partner, stockholder or officer of an organization that has a relationship with us). Our board of directors has established guidelines to assist it in determining whether a director has such a material relationship. Under these guidelines, a director is not considered to have a material relationship with Ameresco if he or she is independent under Section 303A.02(b) of the NYSE Listed Company Manual and he or she:

- is an executive officer of another company which is indebted to us, or to which we are indebted, unless the total amount of either company's indebtedness to the other is more than one percent of the total consolidated assets of the company he or she serves as an executive officer; or
- serves as an officer, director or trustee of a tax exempt organization, unless our discretionary contributions to such organization are more than the greater of $1 million or two percent of that organization's consolidated gross revenue.

In addition, ownership of a significant amount of our stock, by itself, does not constitute a material relationship.

Pursuant to applicable NYSE rules, a director employed by us cannot be deemed to be an "independent director," and consequently neither Mr. Sakellaris nor Mr. Corrsin nor Mr. Anderson qualifies as an independent director.

Our board has determined that each of Messrs. Bulger, Jesanis, Nichols, and Sutton meet the categorical standards described above, that none of these directors has a material relationship with us and that each of these directors is "independent" as determined under Section 303A.02(b) of the NYSE Listed Company Manual.

Committees of our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Each committee operates under a charter approved by our board of directors. Following the closing of this offering, copies of each committee's charter will be posted on the Investor Relations section of our website, which is located at www.ameresco.com.

All of the members of our board's three standing committees described below have been determined to be independent as defined under applicable NYSE rules and in the case of all members of the audit committee, the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act.

Audit Committee

The members of our audit committee are Messrs. Jesanis, Nichols and Sutton. Our board of directors has determined that each of the members of our audit committee satisfy the requirements for financial literacy under applicable stock market and SEC rules and regulations. Mr. Jesanis is the chair of the audit committee and is also an "audit committee financial expert," as defined by SEC rules and satisfies the financial sophistication requirements of applicable NYSE rules. Our audit committee assists our board of directors in its oversight of our accounting and financial reporting process and the audits of our financial statements.

The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our registered public accounting firm;
- overseeing the work of our registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and our registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- overseeing our risk assessment and risk management policies;

- establishing policies regarding hiring employees from our registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our internal auditing staff, registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by SEC rules to be included in our proxy statement for our annual meeting of stockholders.

All audit services and all non-audit services, other than de minimis non-audit services, to be provided to us by our registered public accounting firm must be approved in advance by our audit committee.

Compensation Committee

The members of our compensation committee are Messrs. Jesanis, Sutton and . Mr. Sutton is the chair of the compensation committee. Our compensation committee assists our board of directors in the discharge of its responsibilities relating to the compensation of our executive officers. The compensation committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to CEO compensation;
- determining our CEO's compensation;
- reviewing and approving, or making recommendations to our board of directors with respect to, the compensation of our other executive officers;
- overseeing an evaluation of our senior executives;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to our board of directors with respect to director compensation;
- reviewing and discussing annually with management our "Compensation Discussion and Analysis," which is included beginning on page 93 of this prospectus; and
- preparing the compensation committee report required by SEC rules to be included in our proxy statement for our annual meeting of stockholders.

Nominating and Corporate Governance Committee

The members of our nominating and corporate governance committee are Messrs. Bulger, Nichols and . Mr. Nichols is the chair of the nominating and corporate governance committee. The nominating and corporate governance committee's responsibilities include:

- identifying individuals qualified to become members of our board of directors;
- recommending to our board of directors the persons to be nominated for election as directors and to each of the committees of our board of directors;
- reviewing and making recommendations to our board of directors with respect to our board of directors' leadership structure;
- reviewing and making recommendations to our board of directors with respect to management succession planning;
- developing and recommending to our board of directors corporate governance principles; and
- overseeing an annual evaluation of our board of directors.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is an officer or employee of our company, nor have they ever been an officer or employee of our company.

Corporate Governance Guidelines

Our board of directors has adopted corporate governance guidelines to assist the board in the exercise of its duties and responsibilities and to serve the best interests of our company and our stockholders. Following the closing of this offering, a copy of these guidelines will be posted on the Investor Relations section of our website, which is located at www.ameresco.com. These guidelines, which provide a framework for the conduct of our board's business, provide that:

- our board's principal responsibility is to oversee the management of Ameresco;
- a majority of the members of our board of directors shall be independent directors;
- the non-management directors meet regularly in executive session;
- directors have full and free access to management and employees of our company, and the right to hire and consult with independent advisors at our expense;
- new directors participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis; and
- at least annually, our board of directors and its committees will conduct self-evaluations to determine whether they are functioning effectively.

Our board of directors, upon the recommendation of our nominating and corporate governance committee, has appointed Mr. Nichols as lead director. Mr. Nichols is an independent director within the meaning of applicable NYSE rules. His duties as lead director include the following:

- chairing any meeting of our non-management or independent directors in executive session;
- meeting with any director who is not adequately performing his or her duties as a member of our board of directors or any committee;
- facilitating communications between other members of our board of directors and the chairman of our board of directors and/or the chief executive officer; however, each director is free to communicate directly with the chairman of our board of directors and with the chief executive officer;
- monitoring, with the assistance of our general counsel, communications from stockholders and other interested parties and providing copies or summaries to the other directors as he considers appropriate;
- working with the chairman of our board in the preparation of the agenda for each board of directors meeting and in determining the need for special meetings of the board of directors; and
- otherwise consulting with the chairman of our board of directors and/or the chief executive officer on matters relating to corporate governance and the performance of our board of directors.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. Following the closing of this offering, a copy of the code of business conduct and ethics will be posted on the Investor Relations section of our website, which is located at www.ameresco.com. In addition, we intend to post on our website all disclosures that are required by law or applicable NYSE listing standards concerning any amendments to, or waivers from, any provision of the code.

Director Compensation

Since our company was formed, we have not paid cash compensation to any director for his or her service as a director. However, non-employee directors are reimbursed for reasonable travel and other expenses incurred in connection with attending our board and committee meetings. Messrs. Bulger, Jesanis, Nichols and Sutton are our non-employee directors.

In the past, we have granted options to purchase shares of our Class A common stock to our non-employee directors. We did not grant any options or shares of restricted stock to our non-employee directors during 2009.

None of Mr. Sakellaris, Mr. Anderson or Mr. Corrsin has ever received any compensation in any form in connection with his service as a director, and none of Mr. Bulger, Mr. Nichols or Mr. Sutton received any compensation in any form in connection with his service as a director in 2009. Mr. Jesanis was appointed to our board of directors in April 2010 and has not received any compensation in any form in connection with his service as a director.

In anticipation of becoming a public company, our board of directors adopted the following director compensation plan for non-employee directors in April 2010. As indicated below, some of these compensation arrangements apply to all non-employee directors, while others apply only to non-employee directors elected to the board of directors from and after April 2010, except as noted below. Employee directors will continue to not be compensated for their service on our board of directors.

Cash Compensation. Each non-employee director initially elected to the board of directors from and after April 2010 will receive a $10,000 annual retainer. The chair of the audit committee will receive an additional annual retainer of $12,000, the chair of the compensation committee will receive an additional annual retainer of $8,000, and the chair of the nominating and corporate governance committee will receive an additional annual retainer of $6,000. Each non-employee director, other than the chair, who serves on the audit committee will receive an additional $2,500 annual retainer, each non-employee director, other than the chair, who serves on the compensation committee will receive an additional $2,000 annual retainer, and each non-employee director, other than the chair, who serves on the nominating and corporate governance committee will receive an additional annual retainer of $1,000. Each non-employee director will receive $1,000 for each in person board meeting or committee meeting (if not on the same day as a board meeting) he or she attends and $500 for each telephonic board meeting or committee meeting (if not on the same day as a board meeting) in which he or she participates.

Equity Compensation. The following equity compensation arrangements apply only to non-employee directors initially elected to the board of directors from and after April 2010. Upon his or her initial election to the board of directors, each such non-employee director will be granted an option to purchase 40,000 shares of our Class A common stock. On the date of each annual meeting of stockholders, beginning with the year following his or her initial election as a director, each such non-employee director will receive an additional option to purchase 10,000 shares of our Class A common stock. Both the initial and annual options will become exercisable as to 20% of the shares subject to the option on each of the first five anniversaries of the option grant date, subject to the director's continued service on our board of directors. All such options will have an exercise price equal to the fair market value of the Class A common stock on the date of grant and will become exercisable in full upon a change in control of Ameresco.

Director Stock Ownership Guidelines

Our board of directors has adopted the following stock ownership guidelines for our non-employee directors. Each non-employee director is expected to own 1,000 shares of Class A common stock by the first anniversary of his or her initial election as a director, 2,000 shares of by the second anniversary, 3,000 shares by the third anniversary, 4,000 shares by the fourth anniversary, and 5,000 shares by the fifth anniversary and thereafter.

Compensation Discussion and Analysis

This section discusses the material elements of our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our executive officers and is intended to place in perspective the data presented in the tables and narrative that follow.

In preparing to become a public company, we have begun a thorough review of all elements of our executive compensation program, including the function and design of our annual incentive bonus and equity incentive programs. We have begun, and we expect to continue in the coming months, to evaluate the need for revisions to our executive compensation program to ensure our program is competitive with the companies with which we compete for executive talent and is appropriate for a public company.

Overview of Executive Compensation Process

Roles of Our Board, Chief Executive Officer and Compensation Committee in Compensation Decisions. As a private company, our chief executive historically has overseen our executive compensation program. In this role, our chief executive officer has reviewed all compensation decisions relating to our executive officers other than himself. He has annually reviewed the performance of each of our other executive officers, and, based on these reviews, has made recommendations to our board of directors regarding salary adjustments, annual incentive bonus payments and equity incentive awards for our executive officers. Our chief executive officer has annually met in executive session with our board of directors to discuss these recommendations. Our chief executive officer has not historically been present for board discussions regarding his compensation.

In anticipation of becoming a public company, we have established a compensation committee, which will oversee our executive compensation program. Our chief executive officer will make recommendations to the compensation committee regarding the compensation of our executive officers, but the compensation committee will either make all compensation decisions regarding our executive officers or will make recommendations concerning executive compensation to our board of directors, with the independent directors making such decisions.

Competitive Market Data and Use of Compensation Consultants. Historically, we have not formally benchmarked our executive compensation against compensation data of a peer group of companies, but rather have relied on the business judgment and experience in the energy services and engineering consulting industries of our chief executive officer and our executive management team. We have developed substantial information about compensation practices and levels at comparable companies through extensive recruiting, networking and industry research. Once we are a public company, our compensation committee may elect to engage an independent compensation consulting firm to provide advice regarding our executive compensation program and general information regarding executive compensation practices in our industry. Although the compensation committee would consider such a compensation firm's advice in establishing and approving the various elements of our executive compensation program, the compensation committee would ultimately make its own decisions, or make recommendations to our board of directors, about these matters.

Objectives and Philosophy of Our Executive Compensation Program. Our primary objective with respect to executive compensation is to attract, retain and motivate highly talented individuals who have the skills and experience to successfully execute our business strategy. Our executive compensation program is designed to:

- reward the achievement of our annual and long-term operating and strategic goals;
- recognize individual contributions;
- align the interests of our executives with those of our stockholders by rewarding performance that meets or exceeds established goals, with the ultimate objective of increasing stockholder value; and
- retain and build our executive management team.

To achieve these objectives, our executive compensation program ties a portion of each executive's overall compensation — annual incentive bonuses — to key corporate financial goals and to individual goals. We have also provided a portion of our executive compensation in the form of restricted stock and option awards that vest over time, which we believe helps to retain our executive officers and aligns their interests with those of our stockholders by allowing them to participate in our long-term performance as reflected in the trading price of shares of our common stock.

Elements of Our Executive Compensation Program. The primary elements of our executive compensation program are:

- base salaries;
- annual incentive bonuses;
- equity incentive awards; and
- other employee benefits.

We have not adopted any formal or informal policies or guidelines for allocating compensation among these elements.

Base Salaries. We use competitive base salaries to attract and retain qualified candidates to help us achieve our growth and performance goals. Base salaries are intended to recognize an executive officer's immediate contribution to our organization, as well as his or her experience, knowledge and responsibilities.

Historically, our chief executive officer (with respect to executive officers other than himself) has annually evaluated and adjusted executive officer base salary levels based on factors determined to be relevant, including:

- the executive officer's skills and experience;
- the particular importance of the executive officer's position to us;
- the executive officer's individual performance;
- the executive officer's growth in his or her position; and
- base salaries for comparable positions within our company and at other companies.

Our chief executive officer's base salary has been determined by the non-management members of our board of directors, taking into account these same factors.

We have historically made annual base salary adjustments during the year, often around the anniversary of the executive's hire, with the adjustments taking effect as of the anniversary of hire (rather than as of the beginning of the year). In 2009, we increased the base salaries for Messrs. Anderson, Spence, Cunningham and Maltezos by 2.3%, 4.8%, 17.9% and 9.3%, respectively, and made no adjustment for Mr. Sakellaris.

Once we are a public company, our compensation committee will perform such annual evaluations, and we expect that it will consider similar factors, as well as perhaps the input of a compensation firm and peer group benchmarking data, in making any adjustments to executive officer base salary levels.

Annual Incentive Bonus Program. Each year we establish an incentive bonus program in which all of our executive officers, as well as most other full-time employees, participate. These annual incentive bonuses are intended to compensate our executive officers for our achievement of corporate financial goals, as well as individual performance goals.

Under our incentive bonus program for 2009, the total bonus pool payable is determined based on our performance with respect to the following corporate goals: revenue and adjusted EBITDA from ongoing operations (for both the company and for one particular organizational unit), value of customer contracts signed, proposal volume and qualitative operational measures. The specific targets for each of these performance metrics were established near the beginning of 2009 by our board of directors, with input from our chief executive officer and other executive officers. These targets were based on our historical operating results and growth rates, as well as our expected future results, and were designed to require significant effort and operational success on the part of our company. In particular, the revenue and adjusted EBITDA from ongoing operations goals for the organizational unit that comprise an element of the incentive bonus program (which are not shown in the table below for confidentiality reasons) were viewed as difficult to achieve, because they represented significant increases over the comparable results for 2008, less than two-thirds of the revenue target was covered by contracts that had been executed at the time the goal was established (which was an unusually low proportion based on our operating history), and attaining those goals further required us to complete and commission several plants on tight schedules. The amount of the total bonus pool can be up to ten percent of our adjusted EBITDA from continuing operations for 2009, with the actual percentage based on our performance against these corporate financial goals.

The table below shows, for each of the company-wide financial metrics used in calculating the total bonus pool available under our 2009 incentive bonus program, both the goal established by our board and our actual performance against that goal:

Goal	Target	Result
Revenue	$470 million	$
Adjusted EBITDA from ongoing operations*	$ 37 million	$
Value of customer contracts signed	$800 million	$
Proposal volume	$ 1.7 billion	$

* This differs from adjusted EBITDA as reported in the Summary Consolidated Financial Data table on page 8 and in “Selected Consolidated Financial Data” because this measure excludes certain items that we consider to be non-recurring in nature. Adjusted EBITDA from ongoing operations is a non-GAAP financial measure and should not be considered as an alternative to operating income or any other measure of financial performance calculated and presented in accordance with GAAP.

Based on our performance set forth in the above table and our performance against the qualitative operational measures under our 2009 incentive bonus program, the total bonus pool payable under this program was calculated at $, which represents % (out of a maximum of 10%) of our 2009 adjusted EBITDA from ongoing operations.

Once the total bonus pool is calculated, it is allocated among our executive officers and organizational units based on their performance with respect to financial and operational goals for 2009. These goals, and the specific targets with respect to each goal, were established near the beginning of 2009 by our board of directors, based on recommendations from our executive management team, including our chief executive officer.

In addition to the corporate and organizational unit goals described above, members of management — including each of our executive officers — were assigned written individual performance goals near the beginning of fiscal 2009. For our executive officers other than our chief executive officer, these individual goals were set by our chief executive officer in collaboration with our executive management team; the individual goals for our chief executive officer were set by our board of directors, taking into account discussions with our chief executive officer.

The individual goals established for our named executive officers (as listed in the Summary Compensation Table appearing on page 98) related to the following areas:

Mr. Sakellaris — his individual goals were identical to the corporate goals used in calculating the total bonus pool.

Mr. Spence — revenue and adjusted EBITDA from ongoing operations for the company and a particular function; corporate expense containment; completion of financing and lending arrangements; development of strategic plans; and financial reporting efficiencies.

Mr. Maltezos — revenue, adjusted EBITDA from ongoing operations and cash flow for a particular organizational unit; development of growth opportunities; operational efficiencies; safety record; and customer satisfaction.

Mr. Cunningham — marketing and business development initiatives.

Mr. Anderson — revenue, adjusted EBITDA from ongoing operations and gross profit margin for certain geographic regions; proposal volume for certain geographic regions; hiring goals; customer win ratio; and customer satisfaction.

Each participant in the 2009 incentive bonus program was assigned a maximum bonus, expressed as a percentage of his or her annual base salary. The maximum bonus payment for our chief executive officer is 50% of his base salary. For each of our other executive officers, the maximum bonus payment is 40% of his base salary.

Once the total bonus pool for the 2009 program is determined and allocated among our executive officers and organizational units, the bonus pool for each organizational unit is allocated among its members based on their performance with respect to their individual performance goals, subject to the maximum payments described above. For our executive officers other than our chief executive officer, the assessment of performance against individual goals and the determination of individual bonus payments are done by our chief executive officer, subject to approval by our board of directors.

The bonus payments to our executive officers under our incentive bonus program for 2009 have not yet been determined. We expect that they will be determined in the second quarter of 2010.

Once we are a public company, our compensation committee, or our board of directors based on recommendations from our compensation committee, will establish and administer our annual incentive bonus program for executive officers.

Equity Incentive Awards. Our equity incentive award program is the primary vehicle for offering long-term incentives to our executive officers. To date, equity incentive awards to our executive officers have been made in the form of restricted stock awards and stock options, with options being the primary form of equity grants in recent years. We believe that equity incentive awards:

- provide our executive officers with a strong link to our long-term performance by enhancing their accountability for long-term decision making;
- help balance the short-term orientation of our annual incentive bonus program;
- create an ownership culture by aligning the interests of our executive officers with the creation of value for our stockholders; and
- further our goal of executive retention.

Employees who are considered important to our long-term success are eligible to receive equity incentive awards, which generally vest over five years. Equity incentive awards have been granted to over 25% of our current employees.

Historically, all equity awards to our executive officers have been approved by our board of directors, with input from our chief executive officer and our executive management team. In determining the size of equity awards to executive officers, our board and chief executive officer have generally considered the executive's experience, skills, level and scope of responsibilities, existing equity holdings, and comparisons to comparable positions in our company.

Once we are a public company, our compensation committee will have the authority to make equity awards to our executive officers and to administer our equity compensation plans.

We do not have any equity ownership guidelines or requirements for our executive officers.

Other Employee Benefits. We maintain broad-based benefits that are provided to all employees, including our 401(k) retirement plan, flexible spending accounts, medical and dental care plans, life insurance, short- and long-term disability policies, vacation and company holidays. Our executive officers are eligible to participate in each of these programs on the same terms as non-executive employees; however, employees at the director level and above are eligible for life insurance coverage equal to three times (rather than twice) their annual base salary.

Severance and Change of Control Arrangements. We have no severance or change of control agreements with our executive officers, other than the acceleration of stock option vesting as described under "Executive Compensation — Potential Payments upon Termination or Change of Control" below.

Risk Considerations in our Compensation Program. We do not believe that any risks arising from our employee compensation policies and practices are reasonably likely to have a material adverse effect on our company. In addition, we do not believe that the mix and design of the components of our executive compensation program encourage management to assume excessive risks.

Tax Considerations. Section 162(m) of the Code generally disallows a tax deduction for compensation in excess of $1.0 million paid by a public company to its chief executive officer and to each other officer (other than its chief executive officer and chief financial officer) whose compensation is required to be reported to stockholders by reason of being among the three other most highly paid executive officers. Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met. We will periodically review the potential consequences of Section 162(m) on the various elements of our executive compensation program, and we generally intend to structure the equity incentives component of our executive compensation program, where feasible, to comply with exemptions in Section 162(m) so that the compensation remains tax deductible to us. However, our board of directors or compensation committee may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

Section 409A of the Code applies to plans, agreements and arrangements that provide for the deferral of compensation, and imposes penalty taxes on employees if those plans, agreements and arrangements do not comply with Section 409A. We have sought to structure our executive compensation arrangements to be exempt from, or comply with, Section 409A.

Executive Compensation

Summary Compensation Table

The following table sets forth information regarding compensation earned by our chief executive officer, our chief financial officer and our three next most highly compensated executive officers during our fiscal year ended December 31, 2009. We refer to these individuals as our named executive officers.

Name and Principal Position	Salary ($)	Bonus ($)(1)	Option Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
George P. Sakellaris(4) *President and Chief Executive Officer*	500,000		2,049,424	26,785	2,576,209
Andrew B. Spence *Vice President and Chief Financial Officer*	220,000		16,816	14,504	251,320
Louis P. Maltezos *Executive Vice President and General Manager*	250,000		119,658	15,870	385,528
William J. Cunningham *Senior Vice President, Corporate Government Relations*	250,000		20,834	15,175	286,009
David J. Anderson(4) *Executive Vice President, Business Development*	264,750		—	15,911	280,661

(1) The bonus payments to our executive officers under our incentive bonus program for 2009 have not yet been determined. We expect that they will be determined in the second quarter of 2010.

(2) Value is equal to the aggregate grant date fair value of stock options computed in accordance with ASC Topic 718. These amounts do not represent the actual amounts paid to or realized by the named executive officer with respect to these option grants. The assumptions used by us with respect to the valuation of option awards are the same as those set forth in Note 11 to our consolidated financial statements included elsewhere in this prospectus.

(3) Amounts represent the value of perquisites and other personal benefits, which are further detailed below.

	Matched 401(k) Contribution ($)	Group Life Insurance ($)	Auto Insurance ($)	Total ($)
George P. Sakellaris	14,700	10,585	1,500	26,785
Andrew B. Spence	13,521	983	—	14,504
Louis P. Maltezos	14,700	1,170	—	15,870
William J. Cunningham	14,005	1,170	—	15,175
David J. Anderson	14,700	1,211	—	15,911

(4) Messrs. Sakellaris and Anderson are also members of our board of directors, but do not receive any additional compensation in their capacities as directors.

Grants of Plan-Based Awards in 2009

The following table sets forth information regarding grants of compensation in the form of plan-based awards during the fiscal year ended December 31, 2009 to our named executive officers.

Name	Grant Date	Approval Date	All Other Option Awards: Number of Securities Underlying Options (#) (1)	Exercise or Base Price of Option Awards ($/Sh)	Market Price on Grant Date ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
George P. Sakellaris	9/30/2009	9/30/2009	600,000	6.055	11.00	6,600,000
Andrew B. Spence	—	—	—	—	—	—
Louis P. Maltezos	7/22/2009	7/22/2009	100,000	6.055	9.00	900,000
William J. Cunningham	7/22/2009	7/22/2009	50,000	6.055	9.00	450,000
David J. Anderson	—	—	—	——	—	—

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information regarding outstanding stock options held by our named executive officers as of December 31, 2009. No unvested restricted stock was held by our named executive officers as of December 31, 2009.

	Option Awards (1)			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
George P. Sakellaris	—	600,000	6.055	9/30/2019
Andrew B. Spence	300,000	—	0.875	4/25/2012
	100,000	—	1.875	10/16/2013
	65,000	35,000	3.25	7/26/2016
Louis P. Maltezos	200,000	—	2.75	6/25/2014
	75,000	25,000	3.25	1/27/2016
	90,000	110,000	4.22	7/25/2017
	—	100,000	6.055	7/22/2019
William J. Cunningham	—	50,000	6.055	7/22/2019
David J. Anderson	—	—	—	—

(1) All option awards and stock awards listed in this table were granted under the 2000 stock plan. Each option listed above vests or has vested as to 20% of the shares on the first anniversary of the grant date, and as to an additional five percent of the shares at the end of each successive three-month period of employment with us until the fifth anniversary of the grant date. Under the terms of the individual stock option agreements we have entered into with our named executive officers, if, an “Acquisition Event” (as defined in the 2000 stock plan) involving us occurs, and prior to the one-year anniversary of such Acquisition Event the executive’s employment is terminated without Cause (as defined in the 2000 stock plan) or the executive voluntarily terminates his or her employment for Good Reason (as defined in the 2000 stock plan) prior to such anniversary, then the number of shares subject to the option which would have vested and become exercisable had the last 24 months (or if less than 24 months remained, such lesser period) of scheduled vesting been accelerated shall vest and become exercisable immediately prior to such named executive officer’s termination date.

Option Exercises and Stock Vested

No named executive officer exercised any options during the fiscal year ended December 31, 2009. The following table sets forth information regarding the exercise of options by and the vesting of restricted stock awards held by our named executive officers during the fiscal year ended December 31, 2009.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($) (1)**
George P. Sakellaris	—	—	2,000,000	12,110,000
Andrew B. Spence	—	—	—	—
Louis P. Maltezos	—	—	—	—
William J. Cunningham	—	—	—	—
David J. Anderson	—	—	—	—

(1) There was no public market for our Class A common stock on the date that these shares of restricted stock vested. The value realized has been calculated by multiplying the fair value of our Class A common stock as of the date that such shares vested, based on the fair value that was most recently determined by our board of directors, by the number of vested shares.

Potential Payments Upon Termination or Change of Control

Each of our named executive officers is entitled to acceleration of certain unvested options he holds if he were to be terminated without cause or resign for good reason prior to the one-year anniversary of a sale of our company. The table below summarizes the value of the additional vested option awards based on stock options held on December 31, 2009.

Name	**Value of Additional Vested Option Awards($)(1)**	**Total Benefits**
George P. Sakellaris	(2)	
Andrew B. Spence	(3)	
Louis P. Maltezos	(4)	
William J. Cunningham	(5)	
David J. Anderson	—	

(1) Valuation of acceleration of these options is determined by subtracting the exercise price of such option from a price per share of our Class A common stock of $, which is the midpoint of the estimated price range shown on the cover of this prospectus, and multiplying the resulting difference by the number of shares subject to acceleration by the option.

(2) Upon termination without cause or resignation for good reason prior to the one-year anniversary of a sale of our company, options to purchase 240,000 shares of Class A common stock would vest and become immediately exercisable.

(3) Upon termination without cause or resignation for good reason prior to the one-year anniversary of a sale of our company, options to purchase 60,000 shares of Class A common stock would vest and become immediately exercisable.

(4) Upon termination without cause or resignation for good reason prior to the one-year anniversary of a sale of our company, options to purchase 94,000 shares of Class A common stock would vest and become immediately exercisable.

(5) Upon termination without cause or resignation for good reason prior to the one-year anniversary of a sale of our company, options to purchase 20,000 shares of Class A common stock would vest and become immediately exercisable.

Stock Option and Other Compensation Plans

2010 Stock Incentive Plan

The 2010 stock plan, which will become effective upon the closing of this offering, was adopted by our board of directors in May 2010 and approved by our stockholders in June 2010. The 2010 stock plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards and other stock-based awards. Upon its effectiveness, 10,000,000 shares of our Class A common stock will be reserved for issuance under the 2010 stock plan.

Our employees, officers, directors, consultants and advisors are eligible to receive awards under the 2010 stock plan; however, incentive stock options may only be granted to our employees. The maximum number of shares of our Class A common stock with respect to which awards may be granted to any participant under the 2010 stock plan is 2,000,000 per year.

In accordance with the terms of the 2010 stock plan, our board of directors has authorized our compensation committee to administer the 2010 stock plan. Pursuant to the terms of the 2010 stock plan, our compensation committee will select the recipients of awards and determine:

- the number of shares of our Class A common stock covered by the award and the dates upon which the award will vest;
- with respect to options, the exercise price and period of exercise; and
- with respect to restricted stock and other stock-based awards, the terms and conditions of such awards, including conditions for repurchase, issue price and repurchase price.

Upon a merger or other reorganization event, our board of directors may, in its sole discretion, take any one or more of the following actions pursuant to the 2010 stock plan as to some or all outstanding awards:

- provide that all outstanding awards shall be assumed or substituted by the successor corporation;
- upon written notice to a participant, provide that the participant's unexercised options or awards will terminate immediately prior to the consummation of such transaction unless exercised by the participant;
- provide that outstanding awards will become exercisable, realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon the reorganization event;
- in the event of a reorganization event pursuant to which holders of our Class A common stock will receive a cash payment for each share surrendered in the reorganization event, make or provide for a cash payment to the participants equal to the excess, if any, of the acquisition price times the number of shares of our Class A common stock subject to such outstanding awards (to the extent then exercisable at prices not in excess of the acquisition price), over the aggregate exercise price of all such outstanding awards and any applicable tax withholdings, in exchange for the termination of such awards; and
- provide that, in connection with a liquidation or dissolution, awards convert into the right to receive liquidation proceeds.

Upon the occurrence of a reorganization event other than a liquidation or dissolution, the repurchase and other rights under each outstanding restricted stock award will continue for the benefit of the successor company and will, unless the board of directors may otherwise determine, apply to the cash, securities or other property into which our Class A common stock is converted pursuant to the reorganization event. Upon the occurrence of a reorganization event involving a liquidation or dissolution, all conditions on each outstanding restricted stock award will automatically be deemed terminated or satisfied, unless otherwise provided in the agreement evidencing the restricted stock award.

No award may be granted under the 2010 stock plan after 2020. Our board of directors may amend, suspend or terminate the 2010 stock plan at any time, except that stockholder approval will be required to comply with applicable law or NYSE requirements.

2000 Stock Incentive Plan

The 2000 stock plan was adopted in October 2000. As of March 31, 2010, a maximum of 28,500,000 shares of our Class A common stock was authorized for issuance under the 2000 stock plan. The 2000 stock plan allows us to grant options, restricted stock awards and other stock-based awards to our employees, officers and directors as well as outside consultants and advisors we retain from time to time. As of March 31, 2010, under the 2000 stock plan, options to purchase 9,403,200 shares of our Class A common stock were outstanding, 2,176,700 shares of our Class A common stock had been issued and were outstanding pursuant to the exercise of options, 8,422,250 shares of our Class A common stock had been issued pursuant to restricted stock awards and remain outstanding, and 8,492,600 shares of our Class A common stock were available for future awards. After the effective date of the 2010 stock plan, we will grant no further stock options or restricted stock awards under the 2000 stock plan.

401(k) Retirement Plan

We maintain a 401(k) retirement plan that is intended to be a tax-qualified defined contribution plan under Section 401(k) of the Code. In general, all of our employees are eligible to participate upon commencement of their employment. The 401(k) plan includes a salary deferral arrangement pursuant to which participants may elect to reduce their current compensation by up to the statutorily prescribed limit, equal to $16,500 in 2009, plus $5,500 for those age 50 and over, and have the amount of the reduction contributed to the 401(k) plan. We currently match on a per payroll basis up to 100% of the first six percent of base compensation and commissions that a participant contributes to his or her in 401(k) plan, up to $14,700 in 2009, subject to certain time of service and other eligibility conditions.

Limitation of Liability and Indemnification

As permitted by Delaware law, we have included provisions in our restated certificate of incorporation, which will become effective upon the closing of this offering, that limit or eliminate the personal liability of our directors to the maximum extent permitted by Delaware law. Our directors will not be personally liable for monetary damages for breaches of their fiduciary duties as directors, except liability for:

- any breach of the director’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any unlawful payments related to dividends or unlawful stock repurchases, redemptions or other distributions; or
- any transaction from which the director derived an improper personal benefit.

These limitations do not affect the availability of equitable remedies, including injunctive relief or rescission. Any amendment to or repeal of these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to such amendment or repeal. If Delaware law is amended to authorize the further elimination or limiting of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law as so amended.

As permitted by Delaware law, our restated certificate of incorporation that will become effective upon the closing of this offering also provides that:

- we will indemnify our directors and officers to the fullest extent permitted by law;
- we may indemnify our other employees and other agents to the same extent that we indemnify our officers and directors, unless otherwise determined by our board of directors; and

- we will advance expenses to our directors and officers in connection with legal proceedings in connection with a legal proceeding to the fullest extent permitted by law.

The indemnification provisions contained in our restated certificate of incorporation that will become effective upon the closing of this offering are not exclusive.

In addition, we have entered into indemnification agreements with each of our directors. Each indemnification agreement will provide that we will indemnify the director to the fullest extent permitted by law for claims arising in his capacity as our director, officer, employee or agent, provided that he acted in good faith and in a manner that he reasonably believed to be in, or not opposed to, our best interests and, with respect to any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful. In the event that we do not assume the defense of a claim against a director we are required to advance his expenses in connection with his defense, subject to certain conditions, provided that he undertakes to repay all amounts advanced if it is ultimately determined that he is not entitled to be indemnified by us.

We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, which we refer to as the Securities Act, may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we understand that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

In addition, we maintain standard policies of insurance under which coverage is provided to our directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act, and to us with respect to payments which may be made by us to such directors and officers pursuant to the above indemnification provisions or otherwise as a matter of law.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information concerning our company.

RELATED PERSON TRANSACTIONS

Since January 1, 2007, we have engaged in the following transactions with our directors, executive officers and holders of more than five percent of our voting securities, and affiliates of our directors, executive officers and holders of more than five percent of our voting securities. We believe that all of the transactions described below were made on terms no less favorable to us than could have been obtained from unaffiliated third parties.

Conversion of Common Stock into Class A Common Stock and Convertible Preferred Stock into Class B Common Stock

Prior to the closing of this offering, we will amend and restate our certificate of incorporation to (i) reclassify all outstanding shares of our common stock as Class A common stock and (ii) provide that each share of our convertible preferred stock will be convertible into shares of our Class B common stock. Each share of our Class B common stock will be entitled to five votes per share, will be convertible at any time into one share of our Class A common stock at the option of the holder of such shares and will automatically convert into one share of our Class A common stock upon the occurrence of certain specified events. See "Description of Capital Stock — Common Stock."

As of April 30, 2010, three of our executive officers, Mr. Sakellaris, Mr. Anderson and Mr. Corrsin, one of our non-employee directors, Mr. Sutton, and one of our five percent stockholders, Mr. Arthur Sakellaris, beneficially owned 3,350,000, 1,020,000, 1,500,000, 1,000,000 and 1,600,000 shares of our common stock, respectively, which, prior to the amendment and restatement of our certificate of incorporation, collectively represented approximately 48.57% of our outstanding common stock. Upon the amendment and restatement of our certificate of incorporation, these shares will be reclassified as 3,350,000, 1,020,000, 1,500,000, 1,000,000 and 1,600,000 shares of our Class A common stock, respectively. Our founder, principal stockholder, chief executive officer and president, Mr. Sakellaris, owns 3,000,000 shares of our convertible preferred stock, which represents all of our outstanding convertible preferred stock. Upon the closing of this offering, these shares will automatically convert into 18,000,000 shares of our Class B common stock and will represent all of the shares of our Class B common stock outstanding.

Subordinated Note and Indemnity

On May 17, 2000, our board of directors authorized us to borrow $2,998,750 from Mr. Sakellaris, and this loan is evidenced by a subordinated note in favor of Mr. Sakellaris. The subordinated note bears interest at the rate of ten percent per annum, which is payable monthly in arrears, and all amounts outstanding under the subordinated note are payable on demand. During each of 2007, 2008 and 2009, we made interest payments of $300,000 to Mr. Sakellaris under the subordinated note. As of April 30, 2010, the entire $2,998,750 principal amount under the subordinated note remains outstanding. Our obligations under this note are subordinated to our obligations under our senior credit facilities. See "Management's Discussion and Analysis — Liquidity and Capital Resources." We will repay in full the outstanding principal balance of and all accrued but unpaid interest on this subordinated note using net proceeds from this offering. See "Use of Proceeds."

Our sureties have historically required that Mr. Sakellaris personally indemnify them for up to an aggregate of $50 million of losses associated with the bonds they have provided on our behalf. As consideration for this personal indemnity, in October 2006, we issued to Mr. Sakellaris 2,000,000 shares of restricted stock, which vested in full on the third anniversary of the issuance, and in September 2009, we granted Mr. Sakellaris an option to purchase 600,000 shares of common stock, which vests as to 20% of the shares on the first anniversary of the grant date and as to an additional five percent at each successive three-month period.

Other Transactions

In 2002, we entered into a letter agreement, which we refer to as the Terra agreement, with TERRA Nova Holdings LLC, or Terra, which was under the common control of William H. Kremer and Samuel T. Byrne, each of whom then held more than five percent of our outstanding common stock. Under the Terra agreement, Terra provided us with consulting services related to a 2002 acquisition in exchange for a $344,000 cash fee to be payable by us in specified circumstances. Terra subsequently assigned its rights under the Terra agreement to CrossHarbor Capital Partners LLC, or CrossHarbor, which was also under the common control of Messrs. Kremer and Byrne. On September 25, 2008, we entered into a warrant termination agreement with Messrs. Kremer and Byrne, each of whom still held more than five percent of our outstanding common stock, and CrossHarbor and Terra, each of which remained under the common control of Messrs. Kremer and Byrne. Pursuant to the warrant termination agreement, we and the other parties agreed to terminate a warrant pursuant to which CrossHarbor had the right to purchase up to 1,480,000 shares of our common stock at a purchase price of $0.22 per share in exchange for a $1,959,400 cash payment by us to CrossHarbor. In addition, under the warrant termination agreement, in consideration of the termination of the Terra agreement, we agreed to reduce the exercise price per share under two separate warrants held by CrossHarbor, each for the purchase of up to 60,000 shares of our common stock, from $0.22 to $0.005. Immediately following the consummation of the transactions under the warrant termination agreement, CrossHarbor transferred one of its warrants for the purchase of up to 60,000 shares of our common stock to Mr. Kremer, and the other to Mr. Byrne.

On September 25, 2008, we also entered into a stock repurchase agreement with Mr. Kremer, pursuant to which we purchased 1,333,334 shares of our common stock from Mr. Kremer, for an aggregate purchase price of $4,546,669, or $3.41 per share, as a result of which Mr. Kremer ceased to be a stockholder of our company.

On September 25, 2008, we entered into a warrant termination agreement with AMCAP Holdings, Ltd, or AMCAP, which was wholly-owned by Mr. Byrne. Pursuant to the agreement, we and AMCAP agreed to terminate a warrant pursuant to which AMCAP had the right to purchase up to 1,587,372 shares of our common stock at a purchase price of $0.005 per share in exchange for a $5,605,002 cash payment from us.

On October 14, 2008, Mr. Byrne transferred the warrant to purchase up to 60,000 shares of our common stock transferred to him by CrossHarbor to a charitable institution. On December 2, 2008, we and the charitable institution entered into a warrant termination agreement pursuant to which the charitable institution agreed to terminate the warrant in exchange for a $204,300 cash payment from us.

On November 11, 2008, AMCAP transferred a warrant to purchase up to 7,342 shares of our common stock to a charitable institution. On December 2, 2008, we and the charitable institution entered into a warrant termination agreement pursuant to which the charitable institution agreed to terminate the warrant in exchange for a $25,000 cash payment from us.

In April 2007, we repurchased from David J. Anderson, our executive vice president, business development and a member of our board of directors, 180,000 shares of our common stock at a purchase price per share of $3.41.

On April 26, 2010, in connection with the resolution of a dispute related to a prior stock option grant, we issued an option to purchase 140,000 shares of our common stock, at an exercise price of $13.045 per share, to Michael E. Castonguay, an employee and holder of more than five percent of our outstanding common stock. The option will vest as to 40% of the shares on the first anniversary of the grant date and as to an additional 7.5% of the shares at the end of each successive three-month period thereafter.

Director Indemnification Agreements

We have entered into indemnification agreements with each of our directors. The indemnification agreements and our restated certificate of incorporation and restated by-laws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. See “Management — Limitation of Liability and Indemnification.”

Registration Rights

We entered into a stockholder agreement on September 25, 2008 with three of our stockholders, Mr. Sakellaris, Mr. Byrne and AMCAP. After the closing of this offering and the sale by the selling stockholders of the shares of our Class A common stock offered by them hereby, Mr. Byrne will beneficially own 1,333,334 shares of our Class A common stock and AMCAP will hold an exercisable warrant to purchase up to 405,286 shares of our Class A common stock. Pursuant to the stockholder agreement, if during the two-year period following the closing of this offering, we propose to register shares of our Class A common stock under the Securities Act, other than under a registration statement on Form S-4 or Form S-8 (or any other successor forms used to register shares issued by us under an employee benefit plan or dividend reinvestment plan or pursuant to an acquisition or merger, or any other form for a similar limited purpose), then we are required to give Mr. Byrne and AMCAP notice of our intent to make the registration and, subject to certain exceptions, Mr. Byrne and AMCAP will have the right to request that some or all of their shares be included in such registration. If Mr. Byrne or AMCAP makes such a request, then we will be required to use our commercially reasonable efforts to cause such shares to be included in that registration statement. Mr. Byrne's and AMCAP's registration rights under the stockholder agreement expire upon the earliest of the second anniversary of the closing of this offering, the time when he or it no longer holds any "registrable securities," which includes the shares currently held by Mr. Byrne as well as the shares of our Class A common stock issuable upon exercise of AMCAP's warrant, and the time when Mr. Byrne and AMCAP together hold less than two percent of our Class A and Class B common stock.

The foregoing description of these registration rights is intended as a summary only and is qualified in its entirety by reference to the stockholder agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

Policies and Procedures for Related Person Transactions

Our board of directors has adopted a written related person transaction policy for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds $120,000, and one of our executive officers, directors, director nominees or five percent stockholders (or their immediate family members), each of whom we refer to as a "related person," has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a "related person transaction," the related person must report the proposed related person transaction to our general counsel. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If the general counsel determines that advance review and approval is not practicable, then the audit committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chairman of the audit committee to review and, if deemed appropriate, approve proposed related person transactions that arise between audit committee meetings, subject to ratification by the audit committee at its next meeting. Any related person transactions previously approved by the audit committee or otherwise already existing that are ongoing in nature in nature will be reviewed annually, or more frequently if the audit committee determines such review to be necessary.

The audit committee will review all relevant information available to it about the related person transaction and may approve or ratify it only if the audit committee determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, Ameresco's best interests. The audit committee may impose any conditions on the related person transaction that it deems appropriate.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by our compensation committee in the manner specified in its charter.

PRINCIPAL AND SELLING STOCKHOLDERS

This section sets forth certain information regarding the beneficial ownership of our Class A and Class B common stock as of April 30, 2010 (adjusted as set forth below) and immediately after the closing of this offering by:

- each of our directors;
- each of our named executive officers;
- each person, or group of affiliated persons, who is known by us to beneficially own more than five percent of our Class A and Class B common stock;
- all of our directors and executive officers as a group; and
- each selling stockholder.

For purposes of the table below, the percentage ownership calculations for beneficial ownership prior to this offering are based on 14,992,284 shares of our Class A common stock and 18,000,000 shares of our Class B common stock outstanding as of April 30, 2010. Our assumed total outstanding share numbers reflect (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock, (iii) the conversion of all shares of our convertible preferred stock, other than those held by Mr. Sakellaris into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock. The table below assumes that there are shares of our Class A common stock and 18,000,000 shares of our Class B common stock outstanding immediately following the closing of this offering.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of shares to persons who possess sole or shared voting power or investment power with respect to our shares. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days of April 30, 2010 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

Except as otherwise indicated in the footnotes to the table below, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information presented in the table below is not necessarily indicative of beneficial ownership for any other purpose. Beneficial ownership representing less than one percent is denoted with an asterisk (*).

Percentage total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. Each holder of Class A common stock is entitled to one vote per share of Class A common stock and each holder of Class B common stock is entitled to five votes per share of Class B common stock. See "Description of Capital Stock — Common Stock."

	Shares Beneficially Owned Prior to Offering					Shares of Class A Common Stock Being Offered	Shares Beneficially Owned After Offering				
	Class A Common Stock		Class B Common Stock		% Total Voting Power		Class A Common Stock		Class B Common Stock		% Total Voting Power
Name of Beneficial Owner	Shares	%	Shares	%			Shares	%	Shares	%	
Five Percent Stockholders:											
George P. Sakellaris(1)	3,350,000	22.34	18,000,000	100.00	88.91						
Samuel T. Byrne(2)	1,738,620	11.29	—	—	1.66						
Arthur P. Sakellaris(3)	1,600,000	10.67	—	—	1.52						
Michael R. Castonguay(4)	885,000	5.78	—	—	0.84						
Directors and Named Executive Officers:											
Andrew B. Spence(5)	475,000	3.07	—	—	0.45						
Louis P. Maltezos(6)	395,000	2.57	—	—	0.38						
William J. Cunningham	—	—	—	—	—						
David J. Anderson	1,020,000	6.80	—	—	1.97						
William M. Bulger(7)	150,000	*	—	—	0.14						
David J. Corrsin	1,500,000	10.01	—	—	1.43						
Michael E. Jesanis	—	—	—	—	—						
Guy W. Nichols(7)	150,000	*	—	—	0.14						
Joseph W. Sutton(8)	1,000,000	6.67	—	—	1.95						
All executive officers and directors as a group (14 persons)(9)	9,737,500	56.05	18,000,000	100.00	95.00						
Other Selling Stockholders:											

(1) Mr. Sakellaris' address is c/o Ameresco, Inc., 111 Speen Street, Framingham, Massachusetts 01701. Includes 12,000,000 shares of our Class B common stock held by the Ameresco 2010 Annuity Trust, of which Mr. Sakellaris is trustee and the sole beneficiary.

(2) Includes 405,286 shares of our Class A common stock issuable upon the exercise of an exercisable warrant held by AMCAP Holdings, Ltd, or AMCAP, which is wholly-owned by Mr. Byrne. The address of Mr. Byrne and AMCAP is c/o CrossHarbor Capital Partners LLC, One Boston Place, Suite 2300, Boston, Massachusetts 02108.

(3) Arthur P. Sakellaris' address is c/o Ameresco, Inc., 111 Speen Street, Framingham, Massachusetts 01701.

(4) Includes 325,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of April 30, 2010. Mr. Castonguay's address is c/o Ameresco, Inc., 111 Speen Street, Framingham, Massachusetts 01701.

(5) Includes 475,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of April 30, 2010.

(6) Includes 395,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of April 30, 2010.

(7) Includes 150,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of April 30, 2010.

(8) Consists of shares of our Class A common stock held by Sutton Ventures LP. Mr. Sutton is managing member of Sutton Ventures Group LLC, which is the general partner of Sutton Ventures LP.

(9) Includes 2,380,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of April 30, 2010.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and provisions of our restated certificate of incorporation and by-laws are summaries and are qualified by reference to our restated certificate of incorporation and by-laws that will be in effect upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

Upon the closing of this offering, our authorized capital stock will consist of 500,000,000 shares of our Class A common stock, par value $0.0001 per share, 144,000,000 shares of our Class B common stock, par value $0.0001 per share, and 5,000,000 shares of preferred stock, par value $0.0001 per share.

Common Stock

Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. The rights of the holders of our Class A common stock and our Class B common stock will be identical, except that

(i) each share of our Class A common stock will be entitled to one vote per share while each share of our Class B common stock will be entitled to five votes per share, and

(ii) each share of our Class B common stock will convertible into one share of our Class A common stock at the option of the holder at any time and will automatically convert into one share of our Class A common stock in specified circumstances (described below).

Assuming (i) a two-for-one split of our common stock, (ii) the reclassification of all outstanding shares of our common stock as Class A common stock (iii) the conversion of all shares of our convertible preferred stock other than those held by Mr. Sakellaris into shares of our Class A common stock and (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock, as of April 30, 2010, there were:

- 14,992,284 shares of our Class A common stock outstanding, held of record by 39 stockholders;
- 18,000,000 shares of our Class B common stock outstanding, held of record by one stockholder, Mr. Sakellaris, our president and chief executive officer;
- 405,286 shares of our Class A common stock issuable upon the exercise of a warrant outstanding and exercisable as of April 30, 2010 (including shares of our Class A common stock that we expect to be sold in this offering by a selling stockholder upon the partial exercise of this warrant) at an exercise price of $0.005 per share, which will remain outstanding after this offering if not exercised prior to this offering; and
- 9,789,200 shares of our Class A common stock issuable upon the exercise of stock options outstanding as of April 30, 2010 (including an aggregate of shares of our Class A common stock that we expect to be sold in this offering by selling stockholders upon the exercise of vested options) at a weighted-average exercise price of $3.78 per share.

In connection with the reclassification of our common stock as Class A common stock, each outstanding option and warrant to purchase shares of our common stock will become an option or warrant to purchase an equal number of shares of our Class A common stock at the same exercise price per share.

Voting

The holders of our Class A and Class B common stock will vote together on all matters properly submitted to our stockholders for their vote (including the election of directors). The holders of our Class A common stock are entitled to one vote for each share held on all matters properly submitted to a vote of our stockholders and do not have any cumulative voting rights with respect to the election of directors. The holders of our Class B common stock are entitled to five votes for each share held on all matters properly submitted to a vote of our stockholders and do not have any cumulative voting rights with respect to the election of directors. Delaware law generally requires holders of our Class A common stock or our Class B common stock, as applicable, to vote separately as a single class if we amend our restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of such class of stock in a manner that affects them adversely or increases or decreases the number of shares of that class. However, we have provided in our restated certificate of incorporation that the holders of neither our Class A common stock nor our Class B common stock are entitled to a vote as a separate class in the event that the number of shares of their respective class is increased or decreased.

Dividends

Holders of our Class A and Class B common stock are entitled to share equally, on a per-share basis, in any dividends declared by our board of directors out of funds legally available therefor, subject to any preferential dividend or other rights of any then outstanding preferred stock. In the event a dividend is paid in the form of shares of common stock or rights to acquire shares of common stock, the holders of our Class A common stock shall receive shares of our Class A common stock or rights to acquire shares of our Class A common stock, as the case may be, and the holders of shares of our Class B common stock shall receive shares of our Class B common stock or rights to acquire shares of our Class B common stock, as the case may be.

Conversion

Our Class A common stock is not convertible into any other shares of our capital stock.

Our Class B common stock is convertible as follows:

Voluntary Conversion. Each share of our Class B common stock is convertible into one share of our Class A common stock at any time, at the option of the holder.

Mandatory Conversion. All shares of our Class B common stock will convert into shares of our Class A common stock on a one-for-one basis in the following instances:

(i) at such time when we receive a written consent executed by the holders of a majority of the shares of our Class B common stock then outstanding electing to convert all outstanding shares of our Class B common stock into our Class A common stock, or

(ii) at such time when the total number of outstanding shares of our Class B common stock is less than 20% of the aggregate number of shares of our Class A and Class B common stock then outstanding.

In addition, each share of our Class B common stock will automatically convert into one share of our Class A common stock upon any transfer of such share of our Class B common stock, whether or not for value, except for transfers to (a) the original holder of our Class B common stock, Mr. Sakellaris, certain of such Class B common stockholder’s family members or descendants, entities controlled by such Class B common stockholder, certain trusts for the benefit of such Class B common stockholder or such holder’s family or charitable organizations established by such Class B common stockholder or certain members of such holder’s family or (b) a pledgee (subject to certain limitations) or nominee of such Class B common stockholder.

Following the closing of this offering, we may not issue or sell any shares of our Class B common stock, or any securities convertible or exercisable into shares of our Class B common stock, except for any stock splits, stock dividends, subdivisions, combinations or recapitalizations with respect to our Class B common stock and there will not be any securities outstanding that are convertible into or may be exercised to acquire shares of our Class B common stock.

No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

Liquidation Rights

In the event of our liquidation or dissolution, holders of our Class A and Class B common stock are entitled to share equally, on a per-share basis, in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of any then outstanding preferred stock.

Other Rights

Holders of our Class A and Class B common stock have no preemptive, subscription or redemption rights.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our restated certificate of incorporation, our board of directors is authorized to issue up to 5,000,000 shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock, any or all of which may be greater than or senior to the rights of the either or both of our Class A and Class B common stock. The issuance of preferred stock could adversely affect the voting power of holders of either or both of our Class A and Class B common stock and reduce the likelihood that such holders will receive dividend payments or payments on liquidation.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate the delay and uncertainty associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding stock. In certain circumstances, an issuance of preferred stock could have the effect of decreasing the market price of our Class A common stock. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Anti-Takeover Effects of Delaware Law and Our Restated Certificate of Incorporation and By-Laws

Delaware law, our restated certificate of incorporation and our by-laws contain provisions that could have the effect of delaying or discouraging another party from acquiring control of us. These provisions, which are summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also intended to encourage persons seeking to acquire control of us to first negotiate with our board of directors. In addition, see “Description of Capital Stock—Common Stock” for a description of our dual class capital structure.

Staggered Board of Directors; Removal of Directors

Our restated certificate of incorporation and by-laws divide our board of directors into three classes with staggered three-year terms. In addition, a director may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds of the votes that all stockholders would be entitled to cast in any annual election of directors. Any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Stockholder Action by Written Consent; Special Meetings

Our restated certificate of incorporation provides that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Our restated certificate of incorporation and by-laws also provide that special meetings of our stockholders can only be called by the chairman of our board of directors, our chief executive officer or our board of directors.

Advance Notice Requirements for Stockholder Proposals

Our by-laws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of persons for election to our board of directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting.

Delaware Business Combination Statute

We are subject to Section 203 of the Delaware General Corporation Law. Subject to certain exceptions, Section 203 prevents a publicly-held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless (1) the interested stockholder attained such status with the approval of our board of directors, (2) the business combination is approved by our board of directors and stockholders in a prescribed manner or (3) the interested stockholder acquired at least 85% of our outstanding voting stock in the transaction in which it became an interested stockholder. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" and the sale of more than ten percent of our assets, and other transactions resulting in a financial benefit to the interested stockholder. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person. Section 203 would not prevent us from engaging in a business combination with Mr. Sakellaris even though he owns greater than five percent of our outstanding voting stock because he acquired such voting stock before we were subject to Section 203.

Amendment of Restated Certificate of Incorporation and By-Laws

The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless a corporation's certificate of incorporation or by-laws, as the case may be, requires a greater percentage. Our by-laws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast in any annual election of directors is required to amend or repeal or to adopt any provisions inconsistent with the bylaw amendment provision or any of the provisions of our restated certificate of incorporation described above under "— Staggered Board of Directors; Removal of Directors" and "— Stockholder Action by Written Consent; Special Meetings."

Transfer Agent and Registrar

The transfer agent and registrar for our Class A and Class B common stock is .

Stock Market Listing

We have applied to list our ordinary shares on the NYSE under the symbol "AMRC."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and a liquid public trading market for our common stock may not develop or be sustained after this offering. If a public market does develop, future sales of significant amounts of our common stock, including shares issued upon exercise of outstanding options or warrants, or the anticipation of those sales, could adversely affect the public market prices prevailing from time to time and could impair our ability to raise capital through sales of our equity securities. We have applied to list our Class A common stock on the NYSE under the symbol "AMRC." Our Class B common stock will not be listed on any stock market or exchange. Due, in part, to the mandatory conversion features of our Class B common stock, we do not anticipate that there will ever be a trading market for our Class B common stock.

Upon the closing of this offering, we will have outstanding an aggregate of shares of Class A common stock and 18,000,000 shares of Class B common stock, based on 14,992,284 shares of Class A common stock and 18,000,000 shares of our Class B common stock outstanding as of April 30, 2010, assuming no exercise by the underwriters of their over-allotment option and no exercise of outstanding options or an outstanding warrant. Of these shares, all of the shares of our Class A common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares of our Class A common stock purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below.

The remaining shares of Class A common stock and all of the shares of our Class B common stock (and the shares of Class A common stock that they can be converted into) will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. As set forth in our restated certificate of incorporation, upon the consummation of the sale of any shares of our Class B common stock (except for sales to family members and certain affiliated persons and entities), such shares of our Class B common stock will be automatically converted into shares of our Class A common stock. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act. One such safe-harbor exemption is Rule 144, which is summarized below.

Subject to the lock-up agreements described below and the provisions of Rule 144 under the Securities Act, these restricted securities will be available for sale in the public market as follows:

Date Available for Sale	Shares Eligible for Sale	Comment
Date of prospectus		Shares sold in the offering and shares that can be sold under Rule 144 that are not subject to a lock-up
90 days after date of prospectus		Shares that are not subject to a lock-up and can be sold under Rule 144
180 days after date of prospectus		Lock-up released; shares can be sold under Rule 144

In addition, of the 9,789,200 shares of our Class A common stock that were issuable upon the exercise of stock options outstanding as of April 30, 2010, options to purchase 6,739,650 shares were exercisable as of April 30, 2010 and, upon exercise, these shares will be eligible for sale in the public markets, subject to the lock-up agreements and securities laws described below. Our outstanding warrant for 405,286 shares of our Class A common stock was outstanding and exercisable as of April 30, 2010, and upon exercise these shares will be eligible for sale in the public market six months after the date of exercise, subject to the lock-up agreements and securities laws described below.

Rule 144

Affiliate Resales of Shares

Affiliates of ours must generally comply with Rule 144 if they wish to sell in the public market any shares of our Class A common stock or our Class B common stock, whether or not those shares are "restricted securities." "Restricted securities" are any securities acquired from us or one of our affiliates in a transaction not involving a public offering. All shares of our Class A and Class B common stock issued prior to the closing of this offering, and the shares of Class A common stock that our Class B common stock can be converted into, are considered to be restricted securities. The shares of our Class A common stock sold in this offering are not considered to be restricted securities.

In general, subject to the lock-up agreements described below, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate of ours at any time during the 90 days immediately before a sale can sell restricted shares of our Class A common stock or our Class B common stock in compliance with the following requirements of Rule 144.

Holding period: If the shares are restricted securities, an affiliate must have beneficially owned the shares of our Class A or Class B common stock for at least six months.

Manner of sale: An affiliate must sell its shares in "broker's transactions" or certain "riskless principal transactions" or to market makers, each within the meaning of Rule 144.

Limitation on number of shares sold: An affiliate is only allowed to sell within any three-month period an aggregate number of shares of our Class A and our B common stock that does not exceed:

- for our Class B common stock: one percent of the number of the total number of shares of our Class A and Class B common stock then outstanding, which will equal approximately shares immediately after this offering; and
- for our Class B common stock converted to Class A common stock and our Class A common stock, the greater of (a) one percent of the number of the aggregate number of shares of our Class A and Class B common stock then outstanding, which will equal approximately shares immediately after this offering or (b) the average weekly trading volume in our Class A common stock on the NYSE during the four calendar weeks preceding either (i) to the extent that the seller is required to file a notice on Form 144 with respect to such sale, the date of filing such notice, (ii) date of receipt of the order to execute the transaction by the broker or (iii) the date of execution of the transaction with the market maker.

Current public information: An affiliate may only resell its restricted securities to the extent that adequate current public information, as defined in Rule 144, is available about us, which, in our case, means that we have been subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act for a period of at least 90 days prior to the date of the sale and we have filed all reports with the SEC required by those sections during the preceding twelve months (or such shorter period that we have been subject to these filing requirements).

Notice on Form 144: If the number of shares of either our Class A or Class B common stock being sold by an affiliate under Rule 144 during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, then the seller must file a notice on Form 144 with the SEC and the NYSE concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-Affiliate Resales of Restricted Shares

Any person or entity who is not an affiliate of ours and who has not been an affiliate of ours at any time during the three months preceding a sale is only required to comply with Rule 144 in connection with sales of restricted shares of our Class A or Class B common stock. Subject to the lock-up agreements described below, those persons may sell shares of our Class A or Class B common stock that they have beneficially owned for at least one year without any restrictions under Rule 144 immediately following the effective date of the registration statement of which this prospectus is a part.

Further, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time such person sells shares of either our Class A or Class B common stock, and has not been an affiliate of ours at any time during the three months preceding such sale, and who has beneficially owned such shares of our Class A or Class B common stock, as applicable, for at least six months but less than a year, is entitled to sell such shares so long as there is adequate current public information, as defined in Rule 144, available about us.

Resales of restricted shares of our Class A and Class B common stock by non-affiliates are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144, described above.

Rule 701

Rule 701 under the Securities Act applies to shares purchased from us by our employees, directors or consultants, in connection with a qualified compensatory stock plan or other written agreement, either prior to the date of this prospectus or pursuant to the exercise of options granted prior to the date of this prospectus. Shares issued in reliance on Rule 701 are "restricted securities," but may be sold in the public market beginning 90 days after the date of this prospectus (i) by our affiliates, subject to compliance with the provisions of Rule 144 other than its one-year holding period requirement, and (ii) by persons other than our affiliates, subject only to the manner of sale provisions of Rule 144.

Lock-up Agreements

Our officers and directors and the holders of   outstanding shares of our Class A common stock and all of our outstanding shares of Class B common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our Class A or Class B common stock or securities convertible into or exchangeable for shares of our Class A common stock for a period through the date 180 days after the date of this prospectus, as modified as described below, except with the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of the underwriters.

The 180-day restricted period will be automatically extended under the following circumstances:

- if, during the last 17 days of the 180-day restricted period, we issue an earnings release or announce material news or a material event, the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event; or
- if, prior to the expiration of the 180-day restricted period, we announce that we will release earnings results or become aware that other material news or a material event will occur during the 16-day period beginning on the last day of the 180-day period, the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable.

Merrill Lynch, Pierce, Fenner & Smith Incorporated currently does not anticipate shortening or waiving any of the lock-up agreements and do not have any pre-established conditions for such modifications or waivers. Merrill Lynch, Pierce, Fenner & Smith Incorporated may, however, release for sale in the public market all or any portion of the shares subject to the lock-up agreement.

Stock Options and Warrants

As of April 30, 2010, there were 405,286 shares of our Class A common stock issuable upon the exercise of an outstanding warrant at an exercise price of $0.005 per share. We expect that   shares of our Class A common stock will be sold in this offering by a selling stockholder upon the partial exercise of this warrant, and the balance of this warrant will remain outstanding after this offering if not exercised prior to this offering.

As of April 30, 2010, we had outstanding options to purchase 9,789,200 shares of our Class A common stock at a weighted-average exercise price of $3.78 per share, of which options to purchase 6,739,650 shares were exercisable as of April 30, 2010. Following this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares subject to outstanding options and options and other awards issuable under the 2000 stock plan and the 2010 stock plan. See “Management—Executive Compensation—Stock Option and Other Compensation Plans” for additional information regarding these plans.

Registration Rights

Mr. Sakellaris, Mr. Byrne and AMCAP have registration rights with respect to certain shares of Class A common stock held by, or issuable to, them. See “Related Person Transactions—Registration Rights.” In addition, we have agreed with another stockholder (who beneficially owns less than 1% of our outstanding Class A common stock) that he may include shares of his Class A common stock in a registration statement filed by us that covers shares of stock to be sold by our officers or employees; the terms on which he includes shares in such a registration statement must be no less favorable than those applicable to those officers or employees.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a general discussion of material U.S. federal income and estate tax considerations relating to ownership and disposition of our Class A common stock by a non-U.S. holder. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of our Class A common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or if the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

An individual may be treated as a resident instead of a nonresident of the United States in any calendar year for U.S. federal income tax purposes if the individual was present in the United States for at least 31 days in that calendar year and for an aggregate of at least 183 days during the three-year period ending with the current calendar year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year are counted. Residents are taxed for U.S. federal income tax purposes as if they were U.S. citizens.

This discussion is based on current provisions of the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus and all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any change could alter the tax consequences to non-U.S. holders described in this prospectus. In addition, the Internal Revenue Service, or the IRS, could challenge one or more of the tax consequences described in this prospectus.

We assume in this discussion that each non-U.S. holder holds shares of our Class A common stock as a capital asset (generally, property held for investment). This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of U.S. state, local or non-U.S. taxes. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special tax rules applicable to particular non-U.S. holders, such as:

- insurance companies;
- tax-exempt organizations;
- financial institutions;
- brokers or dealers in securities;
- regulated investment companies;
- pension plans;
- controlled foreign corporations;
- passive foreign investment companies;
- owners that hold our Class A common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment; and
- certain U.S. expatriates.

In addition, this discussion does not address the tax treatment of partnerships or persons who hold their Class A common stock through partnerships or other entities which are transparent for U.S. federal income tax purposes. A partner in a partnership or other transparent entity that will hold our Class A common stock should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our Class A common stock through a partnership or other transparent entity, as applicable.

Prospective investors should consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of acquiring, holding and disposing of our Class A common stock.

Dividends

If we pay distributions on our Class A common stock, those distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder's investment, up to such holder's tax basis in the Class A common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below under the heading "Gain on Disposition of Class A Common Stock."

Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence. If we determine, at a time reasonably close to the date of payment of a distribution on our Class A common stock, that the distribution will not constitute a dividend because we do not anticipate having current or accumulated earnings and profits, we intend not to withhold any U.S. federal income tax on the distribution as permitted by U.S. Treasury Regulations.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements. However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence.

A non-U.S. holder of our Class A common stock who claims the benefit of an applicable income tax treaty between the United States and such holder's country of residence generally will be required to provide a properly executed IRS Form W-8BEN (or successor form) and satisfy applicable certification and other requirements. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS.

Gain on Disposition of Class A Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax on gain recognized on a disposition of our Class A common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; in these cases, the non-U.S. holder will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons, and, if the non-U.S. holder is a foreign corporation, an additional branch profits tax at a rate of 30%, or a lower rate as may be specified by an applicable income tax treaty, may also apply;

- the non-U.S. holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the net gain derived from the disposition; or
- we are or have been, at any time during the five-year period preceding such disposition (or the non-U.S. holder's holding period, if shorter) a "U.S. real property holding corporation" unless our Class A common stock is regularly traded on an established securities market and the non-U.S. holder held no more than five percent of our outstanding Class A common stock, directly or indirectly, during the shorter of the five-year period ending on the date of the disposition or the period that the non-U.S. holder held our Class A common stock. Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not currently, and we do not anticipate becoming, a "U.S. real property holding corporation" for U.S. federal income tax purposes.

Information Reporting and Backup Withholding Tax

We must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our Class A common stock paid to such holder and the tax withheld, if any, with respect to such distributions. Non-U.S. holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 28%, with respect to dividends on our Class A common stock. Generally, a holder will comply with such procedures if it provides a properly executed IRS Form W-8BEN or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. holder, or otherwise establishes an exemption.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our Class A common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Federal Estate Tax

Class A common stock owned or treated as owned by an individual who is a non-U.S. holder (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax or other treaty provides otherwise.

The preceding discussion of material U.S. federal tax considerations is for general information only. It is not tax advice. Prospective investors should consult their own tax advisors regarding the particular U.S. federal, state, local and non- U.S. tax consequences of purchasing, holding and disposing of our Class A common stock, including the consequences of any proposed changes in applicable laws.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as representative of each of the underwriters named below. Subject to the terms and conditions set forth in a purchase agreement among us, the selling stockholders and the underwriters, we and the selling stockholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us and the selling stockholders, the number of shares of Class A common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
RBC Capital Markets Corporation	
Oppenheimer & Co. Inc.	
Canaccord Genuity Inc.	
Cantor Fitzgerald & Co.	
Stephens Inc.	
Total	

Subject to the terms and conditions set forth in the purchase agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the purchase agreement if any of these shares are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representative has advised us and the selling stockholders that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us and the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds, before expenses, to the selling stockholders	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us and the selling stockholders. The underwriters have agreed to reimburse us for certain documented expenses incurred in connection with this offering.

Overallotment Option

We and the selling stockholders have granted an option to the underwriters to purchase up to additional shares at the public offering price, less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the purchase agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

Reserved Shares

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, distributors, dealers, business associates and related persons. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

No Sales of Similar Securities

We and the selling stockholders, our executive officers and directors and our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

- offer, pledge, sell or contract to sell any common stock;
- sell any option or contract to purchase any common stock;
- purchase any option or contract to sell any common stock;
- grant any option, right or warrant for the sale of any common stock;
- lend or otherwise dispose of or transfer any common stock;
- request or demand that we file a registration statement related to the common stock; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

We may also issue shares of common stock or securities convertible into, exchangeable for, exercisable for, or repayable with in connection with business combinations or acquisitions of assets or businesses so long as the number of shares issued does not exceed five percent of our common stock outstanding immediately following the closing of this offering.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Listing

We expect the shares to be approved for listing on the NYSE under the symbol "AMRC." In order to meet the requirements for listing on the NYSE exchange, the underwriters will have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by the NYSE.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us, the selling stockholders and the representative. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are

- the valuation multiples of publicly-traded companies that the representative believes to be comparable to us;
- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenue; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than five percent of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representative may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' overallotment option described above. The underwriters may close out any covered short position by either exercising their overallotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the overallotment option. "Naked" short sales are sales in excess of the overallotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the closing of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail. In those cases, prospective investors may view offering terms online. Depending upon the particular underwriter, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made on the same basis as other allocations.

Other than this prospectus in electronic format, the information concerning any underwriter's web site and any information contained in any other web site maintained by an underwriter is not intended to be part of this prospectus or the registration statement, has not been approved and/or endorsed by us or any underwriter in its capacity as underwriter. Investors should not rely on such information.

In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated may facilitate Internet distribution for this offering to certain of its Internet subscription customers. Merrill Lynch, Pierce, Fenner & Smith Incorporated may allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus is available on the Internet web site maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Other than the prospectus in electronic format, the information on the Merrill Lynch, Pierce, Fenner & Smith Incorporated web site is not part of this prospectus.

Conflicts of Interest

An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, one of the underwriters, will receive more than five percent of the net proceeds from this offering when we repay the outstanding balance under our revolving senior secured credit facility, which was $24.9 million as of March 31, 2010. See "Use of Proceeds." Because of the manner in which the proceeds will be used, the offering will be conducted in accordance with FINRA Rule 5510(h)(1) and NASD Rule 2720. These rules require, among other things, that a qualified independent underwriter has participated in the preparation of, and has exercised the usual standards of "due diligence" in respect to, the registration statement and this prospectus. Oppenheimer & Co. Inc. has agreed to act as qualified independent underwriter for the offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act of 1933, specifically including those inherent in Section 11 of the Securities Act. Oppenheimer & Co. Inc. will not receive any additional compensation for acting in this capacity in connection with the offering. We have agreed to indemnify Oppenheimer & Co. Inc. against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act.

Other Relationships

Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is the agent and a lender under our revolving senior secured credit facility. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

(A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representative has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This document, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, *i.e.*, to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Notice to Prospective Investors in the Dubai International Financial Centre

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The shares which are the subject of the offering contemplated by this prospectus may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

LEGAL MATTERS

The validity of the Class A common stock being offered will be passed upon for us by Wilmer Cutler Pickering Hale and Dorr LLP, Boston, Massachusetts. The underwriters are represented by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, in connection with certain legal matters related to this offering.

EXPERTS

The consolidated financial statements as of December 31, 2008 and December 31, 2009 and for each of the three years in the period ended December 31, 2009 included in this prospectus have been so included in reliance on the report of Caturano and Company, P.C., an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act of 1933 with respect to the shares of our Class A common stock to be sold in this offering. This prospectus, which constitutes part of the registration statement, does not include all of the information contained in the registration statement and the exhibits, schedules and amendments to the registration statement. Some items are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement and to the exhibits and schedules to the registration statement filed as part of the registration statement. Statements contained in this prospectus about the contents of any contract or any other document filed as an exhibit are not necessarily complete and in each instance we refer you to the copy of the contract or other documents filed as an exhibit to the registration statement. Each of theses statements is qualified in all respects by this reference.

You may read and copy the registration statement of which this prospectus is a part at the SEC's public reference room, which is located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can request copies of the registration statement by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the SEC's public reference room. In addition, the SEC maintains an Internet website, located at www.sec.gov, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement of which this prospectus is a part at the SEC's Internet website.

Upon the closing of the offering, we will become subject to the full informational and periodic reporting requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. These documents will also be publicly available, free of charge, on our website, www.ameresco.com. We intend to furnish our stockholders with annual reports containing consolidated financial statements certified by an independent registered public accounting firm.

AMERESCO, INC.

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Ameresco, Inc. and Subsidiaries

We have audited the accompanying consolidated balances sheets of Ameresco, Inc. and Subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's controls over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ameresco, Inc. and Subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

CATURANO AND COMPANY, P.C.

March 31, 2010, except for the "Stock Split" section of Note 2, as to which the date is , 2010 Boston, Massachusetts

The foregoing report is in the form that will be signed upon the completion of the common stock split described in the "Stock Split" section of Note 2 in the consolidated financial statements.

/s/ Caturano and Company, P.C.
CATURANO AND COMPANY, P.C.

Boston, Massachusetts
May 28, 2010

AMERESCO, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2008	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,149,145	$ 47,927,540
Restricted cash	7,743,238	9,249,885
Accounts receivable, net	49,073,084	61,279,515
Accounts receivable retainage	12,907,288	9,242,288
Costs and estimated earnings in excess of billings	9,755,691	14,009,076
Inventory, net	7,460,671	4,237,909
Prepaid expenses and other current assets	6,368,279	8,077,761
Deferred income taxes	9,540,208	9,279,473
Project development costs	10,434,641	8,468,974
Total current assets	131,432,245	171,772,421
Federal ESPC receivable financing	25,585,217	51,397,347
Property and equipment, net	3,713,218	4,373,256
Project assets, net	103,053,353	117,637,990
Deferred financing fees, net	1,032,506	3,582,560
Goodwill	13,640,265	16,132,429
Other assets	13,570,169	10,648,605
	160,594,728	203,772,187
	$ 292,026,973	$ 375,544,608
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 5,142,757	$ 8,093,016
Accounts payable	46,387,522	75,578,378
Accrued expenses	16,367,193	18,362,674
Billings in excess of cost and estimated earnings	20,860,311	28,166,364
Income taxes payable	2,209,386	2,129,529
Total current liabilities	90,967,169	132,329,961
Long-term debt, less current portion	90,980,463	102,807,203
Subordinated debt	2,998,750	2,998,750
Deferred income taxes	12,160,724	11,901,645
Deferred grant income (Note 5)	—	4,158,508
Other liabilities	20,833,612	18,578,754
	126,973,549	140,444,860
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Series A convertible preferred stock, $0.0001 par value, 3,500,000 shares authorized, 3,210,000 shares issued and outstanding	321	321
Common stock, $0.0001 par value, 60,000,000 shares authorized, 14,260,168 shares issued and 9,688,784 outstanding at December 31, 2008, 17,998,168 shares issued and 13,282,284 outstanding at December 31, 2009	1,426	1,800
Additional paid-in capital	4,346,077	10,466,312
Retained earnings	77,975,837	97,882,985
Less — treasury stock, at cost, 4,571,384 shares and 4,715,884 shares, respectively	(7,538,653)	(8,413,601)
Accumulated other comprehensive (loss) income	(698,753)	2,831,970
Total stockholders' equity	74,086,255	102,769,787
	$ 292,026,973	$ 375,544,608

AMERESCO, INC

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Year Ended December 31, 2007	2008	2009
Revenue:			
Energy efficiency revenue	$ 345,935,912	$ 325,031,789	$ 340,635,122
Renewable energy revenue	32,541,298	70,821,940	87,881,467
	378,477,210	395,853,729	428,516,589
Direct expenses:			
Energy efficiency expenses	285,966,267	259,018,970	282,344,502
Renewable energy expenses	26,071,557	59,550,958	66,472,031
	312,037,824	318,569,928	348,816,533
Gross profit	66,439,386	77,283,801	79,700,056
Operating expenses:			
Salaries and benefits	25,892,212	30,288,750	28,273,987
Project development costs	8,062,996	13,106,407	9,599,862
General, administrative and other	13,087,106	9,212,872	16,532,355
	47,042,314	52,608,029	54,406,204
Operating income	19,397,072	24,675,772	25,293,852
Other (expense) income, net (Note 16)	(3,138,067)	(5,187,545)	1,562,910
Income before provision for income taxes	16,259,005	19,488,227	26,856,762
Income tax provision	(5,713,590)	(1,215,127)	(6,949,614)
Net income	10,545,415	18,273,100	19,907,148
Other comprehensive income (loss):			
Foreign currency translation adjustment	3,306,152	(5,059,128)	3,530,723
Comprehensive income	$ 13,851,567	$ 13,213,972	$ 23,437,871
Net income per share attributable to common shareholders			
Basic	$ 0.95	$ 1.71	$ 1.99
Diluted	$ 0.28	$ 0.54	$ 0.61
Weighted average common shares outstanding			
Basic	11,121,022	10,678,110	9,991,912
Diluted	37,552,953	33,990,547	32,705,617

AMERESCO, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			Shares	Amount		
Balance, December 31, 2006	3,210,000	$ 321	14,080,168	$ 1,408	$ 6,583,437	$ 49,426,862	2,504,000	$ (103,239)	$ 1,054,223	$ 56,963,012
Cumulative effect of change in accounting	—	—	—	—	—	(269,540)	—	—	—	(269,540)
Repurchase of restricted stock	—	—	—	—	—	—	728,050	(2,521,245)	—	(2,521,245)
Exercise of stock options	—	—	152,000	15	74,000	—	—	—	—	74,015
Stock-based compensation expense	—	—	—	—	2,678,638	—	—	—	—	2,678,638
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	3,306,152	3,306,152
Net income	—	—	—	—	—	10,545,415	—	—	—	10,545,415
Balance, December 31, 2007	3,210,000	$ 321	14,232,168	$ 1,423	$ 9,336,075	$ 59,702,737	3,238,050	$ (2,624,484)	$ 4,360,375	$ 70,776,447
Repurchase of stock	—	—	—	—	—	—	1,333,334	(4,914,169)	—	(4,914,169)
Repurchase of warrants	—	—	—	—	(7,998,001)	—	—	—	—	(7,998,001)
Exercise of stock options	—	—	28,000	3	67,247	—	—	—	—	67,250
Stock-based compensation expense	—	—	—	—	2,940,756	—	—	—	—	2,940,756
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(5,059,128)	(5,059,128)
Net income	—	—	—	—	—	18,273,100	—	—	—	18,273,100
Balance, December 31, 2008	3,210,000	$ 321	14,260,168	$ 1,426	$ 4,346,077	$ 77,975,837	4,571,384	$ (7,538,653)	$ (698,753)	$ 74,086,255
Vesting of 2006 stock issuance	—	—	2,000,000	200	2,076,928	—	—	—	—	2,077,128
Repurchase of restricted stock	—	—	—	—	—	—	144,500	(874,948)	—	(874,948)
Exercise of stock options	—	—	1,738,000	174	874,586	—	—	—	—	874,760
Stock-based compensation expense	—	—	—	—	3,168,721	—	—	—	—	3,168,721
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	3,530,723	3,530,723
Net income	—	—	—	—	—	19,907,148	—	—	—	19,907,148
Balance, December 31, 2009	3,210,000	$ 321	17,998,168	$ 1,800	$ 10,466,312	$ 97,882,985	4,715,884	$ (8,413,601)	$ 2,831,970	$ 102,769,787

AMERESCO, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2007	2008	2009
Cash flows from operating activities:			
Net income	$ 10,545,415	$ 18,273,100	$ 19,907,148
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation of project assets	2,845,131	2,713,407	5,260,805
Depreciation of property and equipment	1,056,197	1,064,859	1,372,885
Impairment of projects assets	1,997,003	3,500,000	—
Amortization of deferred financing fees	323,587	238,454	254,705
Provision for bad debts	208,159	1,092,294	552,368
Gain relating to certain business acquisitions	—	(5,850,479)	—
Gain on sale of assets	(2,300,217)	—	(691,292)
Unrealized (gain) loss on interest rate swaps	1,365,813	2,831,524	(2,263,802)
Stock-based compensation expense	2,678,638	2,940,756	3,168,721
Deferred income taxes	(3,630,780)	(2,071,600)	3,400,628
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Restricted cash draws	20,720,436	25,519,347	33,051,426
Accounts receivable	(8,063,037)	(3,227,279)	(11,033,926)
Accounts receivable retainage	(3,692,345)	(115,488)	5,029,832
Federal ESPC receivable financing	(9,320,783)	(26,301,019)	(52,900,979)
Inventory	(63,196)	(3,821,507)	3,222,762
Costs and estimated earnings in excess of billings	7,163,330	3,939,285	(3,651,857)
Prepaid expenses and other current assets	2,830,274	(2,337,926)	(1,591,213)
Project development costs	(2,851,011)	(3,623,396)	1,987,761
Other assets	(200,471)	(1,934,563)	3,846,224
Increase (decrease) in:			
Accounts payable and accrued expenses	(4,019,297)	(2,472,682)	27,280,548
Billings in excess of cost and estimated earnings	9,847,732	(4,602,608)	6,819,869
Other liabilities	6,224,033	(6,932,531)	8,945
Income taxes payable	(3,404,810)	2,525,472	2,264,752
Net cash provided by operating activities	30,259,801	1,347,420	45,296,310
Cash flows from investing activities:			
Purchases of property and equipment	(1,789,416)	(1,863,243)	(1,797,949)
Purchases of project assets	(21,019,927)	(41,158,695)	(19,841,648)
Acquisitions, net of cash received	(10,780,467)	—	(674,110)
Net cash used in investing activities	(33,589,810)	(43,021,938)	(22,313,707)

AMERESCO, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	Year Ended December 31, 2007	2008	2009
Cash flows from financing activities:			
Payments of financing fees	(73,652)	(880,044)	(2,804,759)
Proceeds from exercise of stock options	74,015	67,250	874,760
Repurchase of stock	(2,521,245)	(4,914,169)	(874,948)
Repurchase of warrants	—	(7,998,001)	—
Proceeds from (repayments of) revolving senior secured credit facility	—	34,493,460	(14,578,242)
Repayment of senior secured term and revolving credit facility	(2,500,000)	(2,500,000)	—
Proceeds from long-term debt financing	6,173,948	9,277,043	28,196,538
Restricted cash	—	(2,400,580)	(3,092,590)
Payments of long-term debt	(4,382,782)	(2,940,368)	(3,592,073)
Net cash (used in) provided by financing activities	$ (3,229,716)	$ 22,204,591	$ 4,128,686
Effect of exchange rate changes on cash	$ 1,998,055	$ (3,273,211)	$ 2,667,108
Net (decrease) increase in cash and cash equivalents	(4,561,670)	(22,743,138)	29,778,395
Cash and cash equivalents, beginning of year	45,453,953	40,892,283	18,149,145
Cash and cash equivalents, end of year	$ 40,892,283	$ 18,149,145	$ 47,927,540
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	$ 2,481,849	$ 2,431,534	$ 2,904,970
Income taxes	$ 8,063,883	$ 5,304,148	$ 2,145,742
Supplemental disclosure of noncash investing and financing transactions:			
Acquisitions, net of cash received:			
Accounts receivable	$ 2,419,386	$ —	$ —
Inventory	3,575,968	—	—
Prepaids and other assets	132,500	—	18,177
Property and equipment	78,613	—	113,842
Goodwill	7,645,805	—	2,492,165
Accounts payable	(2,440,437)	—	(345,181)
Accrued expenses	(422,839)	—	(1,222,340)
Long-term debt, net	—	—	(382,553)
Other liabilities	(208,529)	—	—
	$ 10,780,467	$ —	$ 674,110
Noncash ESPC receivable financing	$ 21,957,882	$ 11,925,101	$ 27,088,849

AMERESCO, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Ameresco, Inc. and subsidiaries (the, "Company") was organized as a Delaware corporation on April 25, 2000. The Company is a provider of energy efficiency solutions for facilities throughout North America. The Company operates in one business segment — providing solutions, both products and services, that enable customers to reduce their energy consumption, lower their operating and maintenance costs and realize environmental benefits. The Company's comprehensive set of services includes upgrades to a facility's energy infrastructure and the construction and operation of small-scale renewable energy plants. It also sells certain photovoltaic equipment worldwide. The Company operates in the United States, Canada, and Europe.

The Company is compensated through a variety of methods, including: 1) direct payments based on fee-for-services contracts (utilizing lump-sum or cost-plus pricing methodologies); 2) the sale of energy from the Company's generating assets; and 3) direct payment for photovoltaic equipment and systems.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Codification

The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification ("ASC"), which was effective for the Company in 2009.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Ameresco, Inc. and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Gains and losses from the translation of all foreign currency financial statements are recorded in the accumulated other comprehensive income (loss) account within stockholders' equity.

Stock Split

Prior to the consummation of the initial public offering of the Company's Class A common stock, the number of authorized shares will be increased to . In addition, all common share and per share amounts in the consolidated financial statements and notes thereto have been restated to reflect a two for one stock split effective on , 2010.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant estimates with regard to these consolidated financial statements relate to the estimation of final construction contract profit in accordance with accounting for long-term contracts, allowance for doubtful accounts, inventory reserves, project development costs, fair value of derivative financial instruments and stock-based awards, impairment of long lived assets, income taxes and estimating potential liability in conjunction with certain commitments and contingencies. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes cash on deposit, overnight repurchase agreements, and amounts invested in highly liquid money market funds. Cash equivalents consist of short term investments with original maturities of three months or less. The Company maintains accounts with financial institutions and the balances in such accounts, at times, exceed federally insured limits. This credit risk is divided among a number of financial institutions that management believes to be of high quality. The carrying amount of cash and cash equivalents approximates their fair value.

Restricted Cash

Restricted cash consists of cash held in an escrow account in association with construction draws for energy savings performance contracts ("ESPCs"), as well as cash required under term loans to be maintained in debt service reserve accounts until all obligations have been indefeasibly paid in full.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those accounts receivable considered to be uncollectible based upon historical experience and management's evaluation of outstanding accounts receivable at the end of the year. Bad debts are written off against the allowance when identified. Changes in the allowance for doubtful accounts for the years ended December 31, 2007, 2008 and 2009 are as follows:

	2007	2008	2009
Balance at beginning of period	$ 1,331,280	$ 1,539,439	$ 1,049,711
Charges to costs and expenses	249,631	385,418	1,670,589
Account write-offs and other deductions	(41,472)	(875,146)	(1,118,221)
Balance at end of period	$ 1,539,439	$ 1,049,711	$ 1,602,079

At each of December 31, 2008 and 2009, the Company had one customer that accounted for approximately 12% and 14%, respectively, of the Company's total accounts receivable.

Accounts Receivable Retainage

Accounts receivable retainage represents amounts due from customers, but where payments are withheld contractually until certain construction milestones are met. Amounts retained typically range from five percent to ten percent of the total invoice.

Inventory

Inventories, which consist of photovoltaic solar panels, batteries and related accessories, are stated at the lower of cost ("first-in, first-out" method) or market (determined on the basis of estimated realizable values). Provisions have been made to reduce the carrying value to the realizable value.

Prepaid Expenses

Prepaid expenses consist primarily of short-term prepaid expenditures that will amortize within one year.

Federal ESPC Receivable Financing

Federal ESPC receivable financing represents the amount to be paid by various federal government agencies for work performed and earned by the Company under specific ESPCs. The Company assigns certain of its rights to receive those payments to third-party lenders that provide construction and permanent financing for such contracts. The receivable is recognized as revenue as each project is constructed. Upon completion and acceptance of the project by the government, the assigned ESPC receivable and corresponding related project debt are eliminated from the Company's financial statements.

Project Development Costs

The Company capitalizes as project development costs only those costs incurred in connection with the development of energy projects, primarily direct labor, interest costs, outside contractor services, consulting fees, legal fees and travel, if incurred after a point in time where the realization of related revenue becomes probable. Project development costs incurred prior to the probable realization of revenue are expensed as incurred. The Company classifies project development costs as a current asset as the development efforts are expected to proceed to construction activity in the twelve months that follow.

Property and Equipment

Property and equipment consists primarily of office and computer equipment. These assets are recorded at cost. Major additions and improvements are capitalized as additions to the property and equipment accounts, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets, are expensed as incurred. Depreciation and amortization of property and equipment are computed on a straight-line basis over the following estimated useful lives:

Asset Classification	Estimated Useful Life
Furniture and office equipment	Five years
Computer equipment and software costs	Five years
Leasehold improvements	Lesser of term of lease or five years
Automobiles	Five years

Project Assets

Project assets consist of costs of materials, direct labor, interest costs, outside contract services and project development costs incurred in connection with the construction of small-scale renewable energy plants that the Company owns and the implementation of energy savings contracts. These amounts are capitalized and amortized over the lives of the related assets or the terms of the related contracts.

The Company capitalizes interest costs relating to construction financing during the period of construction. The interest capitalized is included in the total cost of the project at completion. The amount of interest capitalized for the years ended December 31, 2007, 2008 and 2009 was $0, $233,767 and $1,395,483, respectively.

Routine maintenance costs are expensed in the current year's consolidated statements of income and comprehensive income to the extent that they do not extend the life of the asset. Major maintenance, upgrades and overhauls are required for certain components of the Company's assets. In these instances, the costs associated with these upgrades are capitalized and are depreciated over the shorter of the life of the asset or until the next required major maintenance or overhaul period. Gains or losses on disposal of property and equipment are reflected in general, administrative and other expenses in the consolidated statements of income and comprehensive income.

The Company evaluates its long-lived assets for impairment as events or changes in circumstances indicate the carrying value of these assets may not be fully recoverable. The Company evaluates recoverability of long-lived assets to be held and used by estimating the undiscounted future cash flows before interest associated with the expected uses and eventual disposition of those assets. When these comparisons indicate that the carrying value of those assets is greater than the undiscounted cash flows, the Company recognizes an impairment loss for the amount that the carrying value exceeds the fair value.

During 2007, the Company decommissioned one of its landfill gas ("LFG") energy facilities as the power sales agreement with the local utility company expired in December 2006. During 2007, the plant was temporarily shut down. The plant equipment had been in service for 20 years and the cost of maintaining the aged equipment was economically unfeasible. The remaining book value of approximately $2.0 million was written off, and is included in direct expenses in the accompanying consolidated statements of income and comprehensive income for 2007.

During 2008, the Company determined that impairment had occurred on two of its LFG facilities. One facility's landfill owner was experiencing permanent operational issues with its existing well field equipment. The volume of LFG supplied to the Company's facility was impaired by this factor, resulting in a write-down of the asset value. The second facility's industrial customer filed for bankruptcy in 2008. The Company assessed the likelihood of the industrial customer emerging from bankruptcy and the resulting impact on future cash flows to the project in determining the amount of the impairment. A total of $3,500,000 was written down for these two facilities, and is included in direct expenses in the accompanying consolidated statements of income and comprehensive income for 2008.

Deferred Financing Fees

Deferred finance fees relate to the external costs incurred to obtain financing for the Company. All deferred financing fees are amortized over the respective term of the financing.

Goodwill

The Company has classified as goodwill the excess of fair value of the net assets (including tax attributes) of companies acquired in purchase transactions. The Company assesses the impairment of goodwill and intangible assets with indefinite lives on an annual basis (December 31st) and whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company would record an impairment charge if such an assessment were to indicate that, more likely than not, the fair value of such assets was less than their carrying values. Judgment is required in determining whether an event has occurred that may impair the value of goodwill or identifiable intangible assets.

Factors that could indicate that an impairment may exist include significant underperformance relative to plan or long-term projections, significant changes in business strategy, significant negative industry or economic trends or a significant decline in the base stock price of our public competitors for a sustained period of time.

The first step (defined as "Step 1") of the goodwill impairment test, used to identify potential impairment, compares the fair value of the equity with its carrying amount, including goodwill. If the fair value of the equity exceeds its carrying amount, goodwill of the reporting unit is considered not impaired, thus the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test shall be performed to measure the amount of impairment loss, if any. The Company performed a Step 1 test at its annual testing dates of December 31, 2007, 2008 and 2009, and determined that the fair value of equity exceeded the carrying value of equity, therefore goodwill was not impaired.

The Company completed its Step 1 test utilizing both an income approach and a market approach. The discounted cash flow method is used to measure the fair value of equity under the income approach. A terminal value utilizing a constant growth rate of cash flows was used to calculate a terminal value after the explicit projection period. Determining the fair value using a discounted cash flow method requires the Company to make significant estimates and assumptions, including long-term projections of cash flows, market conditions and appropriate discount rates. The Company's judgments are based upon historical experience, current market trends, pipeline for future sales, and other information. While the Company believes that the estimates and assumptions underlying the valuation methodology are reasonable, different estimates and assumptions could result in a different outcome. In estimating future cash flows, the Company relies on internally generated projections for a defined time period for sales and operating profits, including capital expenditures, changes in net working capital, and adjustments for non-cash items to arrive at the free cash flow available to invested capital.

Under the market approach, the Company estimates the fair value based on market multiples of revenue and earnings of comparable publicly-traded companies and comparable transactions of similar companies. The estimates and assumptions used in the calculations include revenue growth rates, expense growth rates, expected capital expenditures to determined projected cash flows, expected tax rates and an estimated discount rate to determine present value of expected cash flows. These estimates are based on historical experiences, projections of future operating activity and weighted average cost of capital.

In addition, the Company periodically reviews the estimated useful lives of identifiable intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value or revised useful life. If the "Step 1" test concludes an impairment is indicated, the Company will employ a second step to measure the impairment. If the Company determines that an impairment has occurred, the Company will record a write-down of the carrying value and charge the impairment as an operating expense in the period the determination is made. Although the Company believes goodwill and intangible assets are appropriately stated in the accompanying consolidated financial statements, changes in strategy or market conditions could significantly impact these judgments and require an adjustment to the recorded balance.

Other Assets

Other assets consist primarily of notes and contracts receivable due to the Company.

Asset Retirement Obligations

The Company recognizes a liability for the fair value of required asset retirement obligations ("AROs") when such obligations are incurred. The liability is estimated on a number of assumptions requiring management's judgment, including equipment removal costs, site restoration costs, salvage costs, cost inflation rates and discount rates and is accredited to its projected future value over time. The capitalized asset is depreciated using the convention of depreciation of plant assets. Upon satisfaction of the ARO conditions, any difference between the recorded ARO liability and the actual retirement cost incurred is recognized as an operating gain or loss in the consolidated statements of income and comprehensive income. As of December 31, 2007, 2008 and 2009, the Company had no AROs.

Other Liabilities

Other liabilities consist primarily of deferred revenue related to multi-year operation and maintenance contracts which expire as late as 2031. Other liabilities also include the fair value of derivatives.

Revenue Recognition

The Company derives revenue from energy efficiency and renewable energy products and services. Energy efficiency products and services include the design, engineering, and installation of equipment and other measures to improve the efficiency, and control the operation, of a facility's energy infrastructure. Renewable energy products and services include the construction of small-scale plants that produce electricity, gas, heat or cooling from renewable sources of energy, the sale of such electricity, gas, heat or cooling from plants that the Company owns, and the sale and installation of solar energy products and systems.

Revenue from the installation or construction of projects is recognized on a percentage-of-completion basis. The percentage-of-completion for each project is determined on an actual cost-to-estimated final cost basis. Maintenance revenue is recognized as related services are performed. In accordance with industry practice, the Company includes in current assets and liabilities the amounts of receivables related to construction projects realizable and payable over a period in excess of one year. The Company recognizes revenue associated with contract change orders only when the authorization for the change order has been properly executed and the work has been performed and accepted by the customer.

When the estimate on a contract indicates a loss, or claims against costs incurred reduce the likelihood of recoverability of such costs, the Company records the entire expected loss immediately, regardless of the percentage of completion.

Billings in excess of costs and estimated earnings represents advanced billings on certain construction contracts. Costs and estimated earnings in excess of billings under customer contracts represent certain amounts that were earned and billable but not invoiced at December 31, 2008 and 2009.

The Company sells certain products and services in bundled arrangements, where multiple products and/or services are involved. The Company divides bundled arrangements into separate deliverables and revenue is allocated to each deliverable based on the relative fair value of all elements. The fair value is determined based on the price of the deliverable sold on a stand-alone basis.

The Company recognizes revenue from the sale and delivery of products, including the output from renewable energy plants, when produced and delivered to the customer, in accordance with specific contract terms, provided that persuasive evidence of an arrangement exists, the Company's price to the customer is fixed or determinable and collectibility is reasonably assured.

The Company recognizes revenue from O&M contracts and consulting services as the related services are performed.

For a limited number of contracts under which the Company receives additional revenue based on a share of energy savings, such additional revenue is recognized as energy savings are generated.

Direct Expenses

Direct expenses include the cost of labor, materials, equipment, subcontracting and outside engineering that are required for the development and installation of projects, as well as preconstruction costs, sales incentives, associated travel, inventory obsolescence charges, and, if applicable, costs of procuring financing. A majority of the Company's contracts have fixed price terms; however, in some cases the Company negotiates protections, such as a cost-plus structure, to mitigate the risk of rising prices for materials, services and equipment.

Direct expenses also include the costs of maintaining and operating the small-scale renewable energy plants that the Company owns, including the cost of fuel (if any) and depreciation charges.

Income Taxes

The Company provides for income taxes based on the liability method. The Company provides for deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities calculated using the enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return.

The Company accounts for uncertain tax positions using a "more-likely-than-not" threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors that include, but are not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. The Company evaluates uncertain tax positions on a quarterly basis and adjusts the level of the liability to reflect any subsequent changes in the relevant facts surrounding the uncertain positions. The Company's liabilities for uncertain tax positions can be relieved only if the contingency becomes legally extinguished through either payment to the taxing authority or the expiration of the statute of limitations, the recognition of the benefits associated with the position meet the “more-likely-than-not” threshold or the liability becomes effectively settled through the examination process. The Company considers matters to be effectively settled once the taxing authority has completed all of its required or expected examination procedures, including all appeals and administrative reviews; the Company has no plans to appeal or litigate any aspect of the tax position; and the Company believes that it is highly unlikely that the taxing authority would examine or re-examine the related tax position. The Company also accrues for potential interest and penalties, related to unrecognized tax benefits in income tax expense.

Foreign Currency Translation

The local currency of the Company’s foreign operations is considered the functional currency of such operations. All assets and liabilities of the Company’s foreign operations are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates prevailing during the year. Translation adjustments are accumulated as a separate component of stockholders’ equity. Foreign currency translation gains and losses are reported in the consolidated statements of income and comprehensive income.

Financial Instruments

Financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, long-term contract receivables, accounts payable, long-term debt and interest rate swaps. The estimated fair value of cash and cash equivalents, restricted cash, accounts receivable, long-term contract receivables and accounts payable approximates their carrying value. See below for fair value measurements of long-term debt. See Note 17 for fair value of interest rate swaps.

Stock-Based Compensation Expense

Stock-based compensation expense results from the issuances of shares of restricted common stock and grants of stock options and warrants to employees, directors, outside consultants and others. The Company recognizes the costs associated with restricted stock, option and warrant grants using the fair value recognition provisions of ASC 718, Compensation — Stock Compensation (formerly SFAS No. 123(R), Share-Based Payment) on a straight-line basis over the vesting period of the awards.

Stock-based compensation expense is recognized based on the grant-date fair value. The Company estimates the fair value of the stock-based awards, including stock options, using the Black-Scholes option-pricing model. Determining the fair value of stock-based awards requires the use of highly subjective assumptions, including the fair value of the common stock underlying the award, the expected term of the award and expected stock price volatility.

The assumptions used in determining the fair value of stock-based awards represent management’s estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors change, and different assumptions are employed, the stock-based compensation could be materially different in the future. The risk-free interest rates are based on the U.S. Treasury yield curve in effect at the time of grant, with maturities approximating the expected life of the stock options. The Company has no history of paying dividends. Additionally, as of each of the grant dates, there was no expectation to pay dividends over the expected life of the options. The expected life of the awards is estimated using historical data and management’s expectations. Because there was no public market for the Company’s common stock prior to this offering, management lacked company-specific historical and implied volatility information. Therefore, estimates of expected stock volatility were based on that of publicly-traded peer companies, and it is expected that the Company will continue to use this methodology until such time as there is adequate historical data regarding the volatility of the Company’s publicly-traded stock price.

The Company is required to recognize compensation expense for only the portion of options that are expected to vest. Actual historical forfeiture rate of options is based on employee terminations and the number of shares forfeited. These data and other qualitative factors are considered by the Company in determining to use a 25% forfeiture rate in recognizing stock compensation expense. If the actual forfeiture rate varies from historical rates and estimates, additional adjustments to compensation expense may be required in future periods. If there are any modifications or cancellations of the underlying unvested securities or the terms of the stock option, it may be necessary to accelerate, increase or cancel any remaining unamortized stock-based compensation expense.

The Company also accounts for equity instruments issued to non-employee directors and consultants at fair value. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the date on which the counterparty's performance is complete. No awards to individuals who were not either an employee or director of the Company occurred during the years ended December 31, 2007, 2008 and 2009.

Fair Value Measurements

On January 1, 2007, the Company adopted the guidance for fair value measurements. The guidance defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. In addition, in 2009, the Company adopted fair value measurements for all of its non-financial assets and non-financial liabilities, except for those recognized at fair value in the financial statements at least annually. These assets include goodwill and long-lived assets measured at fair value for impairment assessments, and non-financial assets and liabilities initially measured at fair value in a business combination. The Company's adoption of this guidance did not have a material impact on its consolidated financial statements.

The Company's financial instruments include cash and cash equivalents, accounts and notes receivable, interest rate swaps, accounts payable, accrued expenses, equity-based liabilities and short-and long-term borrowings. Because of their short maturity, the carrying amounts of cash and cash equivalents, accounts and notes receivable, accounts payable, accrued expenses and short-term borrowings approximate fair value. The carrying value of long-term variable-rate debt approximates fair value. As of December 31, 2009, the carrying value of the Company's fixed-rate long-term debt exceeds its fair value by approximately $741,000. This is based on quoted market prices or on rates available to the Company for debt with similar terms and maturities.

The Company accounts for its interest rate swaps as derivative financial instruments in accordance with the related guidance. Under this guidance, derivatives are carried on the consolidated balance sheets at fair value. The fair value of the Company's interest rate swaps are determined based on observable market data in combination with expected cash flows for each instrument.

Derivative Financial Instruments

Effective January 1, 2009, the Company adopted new guidance which expands the disclosure requirements for derivative instruments and hedging activities.

In the normal course of business, the Company utilizes derivatives contracts as part of its risk management strategy to manage exposure to market fluctuations in interest rates. These instruments are subject to various credit and market risks. Controls and monitoring procedures for these instruments have been established and are routinely reevaluated. Credit risk represents the potential loss that may occur because a party to a transaction fails to perform according to the terms of the contract. The measure of credit exposure is the replacement cost of contracts with a positive fair value. The Company seeks to manage credit risk by entering into financial instrument transactions only through counterparties that the Company believes to be creditworthy. Market risk represents the potential loss due to the decrease in the value of a financial instrument caused primarily by changes in interest rates. The Company seeks to manage market risk by establishing and monitoring limits on the types and degree of risk that may be undertaken. As a matter of policy, the Company does not use derivatives for speculative purposes. The Company considers the use of derivatives with all financing transactions to mitigate risk.

During 2009, the Company purchased an interest rate cap from a major bank to mitigate effects of rising interest rates on a fixed rate customer contract for $2.2 million. The Company terminated the agreement in 2009 and realized a gain of $2.5 million. The Company did not designate this derivative as a cash flow hedge; therefore hedge accounting was not applied.

A portion of the Company's project financing includes two projects that utilize an interest rate swap instrument. During 2007, the Company entered into two fifteen-year interest rate swap contracts under which the Company agreed to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to in turn receive an amount equal to a specified variable rate of interest times the same notional principal amount.

The Company did not apply hedge accounting based upon the criteria established by the related guidance as the Company did not designate its derivatives as cash flow hedges. The Company recognizes all derivatives in the consolidated balance sheets and statements of income and comprehensive income at fair value. Cash flows from derivative instruments are reported as operating activities on the consolidated statements of cash flows.

With respect to the Company's interest rate swaps, the Company recorded the unrealized gain (loss) in earnings in 2007, 2008 and 2009, of approximately $(1,365,813), $(2,831,524) and $2,263,802, respectively, as other (expenses) income in the consolidated statements of income and comprehensive income.

See Notes 16, 17 and 18 for additional information on the Company's derivative instruments.

Earnings Per Share

Basic earnings per share is calculated using the Company's weighted-average outstanding common shares, including vested restricted shares. When the effects are not anti-dilutive, diluted earnings per share is calculated using the weighted-average outstanding common shares and the dilutive effect of preferred stock, warrants and stock options as determined under the treasury stock method.

	Year Ended December 31,		
	2007	2008	2009
Basic and diluted net income	$ 10,545,415	$ 18,273,100	$ 19,907,148
Basic weighted-average shares outstanding	11,121,022	10,678,110	9,991,912
Effect of dilutive securities			
Preferred stock	19,260,000	19,260,000	19,260,000
Stock options	7,167,151	4,051,091	3,453,449
Warrants	4,780	1,346	256
Diluted weighted-average shares outstanding	37,552,953	33,990,547	32,705,617

Recent Accounting Pronouncements

In 2009, the FASB issued an accounting pronouncement establishing the ASC as the source of authoritative accounting principles recognized by the FASB to be applied by non-governmental entities. This pronouncement was effective for financial statements issued for interim and annual periods ending after September 15, 2009, for most entities. On the effective date, all non-SEC accounting and reporting standards were superseded. The Company adopted this new accounting pronouncement during 2009, and it did not have a material impact on the Company's consolidated financial statements.

In May 2009, the FASB issued guidance on subsequent events, which sets forth general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted the guidance during 2009, and it did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued guidance on improving disclosures about fair value measurements. This guidance has new requirements for disclosures related to recurring or nonrecurring fair-value measurements including significant transfers into and out of Level 1 and Level 2 fair-value measurements and information on purchases, sales, issuances and settlements in a rollforward reconciliation of Level 3 fair-value measurements. This guidance is effective for the first reporting period beginning after December 15, 2009, and, as a result, it was effective for the Company beginning January 1, 2010. The Level 3 reconciliation disclosures are effective for fiscal years beginning after December 15, 2010, which will be effective for the Company for the year ending December 31, 2011. The Company does not expect its adoption of the guidance to have a material impact on its consolidated financial statements.

In September 2009, the FASB issued guidance related to revenue arrangements with multiple deliverables as codified in ASC 605, Revenue Recognition ("ASC 605"). ASC 605 provides greater ability to separate and allocate arrangement consideration in a multiple element revenue arrangement. In addition, ASC 605 requires the use of estimated selling price to allocate arrangement considerations, therefore eliminating the use of the residual method of accounting. ASC 605 will be effective for fiscal years beginning after June 15, 2010 and may be applied retrospectively or prospectively for new or materially modified arrangements. Earlier application is permitted. The Company does not expect its adoption of this guidance will have a material effect on its consolidated financial statements.

3. BUSINESS ACQUISITIONS AND RELATED TRANSACTIONS

On May 2, 2007, the Company entered into a stock purchase agreement to expand its product lines and operations. The Company paid $11.5 million in cash to acquire the stock of Southwestern Photovoltaic, Inc., $10.8 million, net of cash received.

On September 18, 2009, the Company entered into a share purchase agreement with Byrne Engineering, Inc. ("Byrne"). The Company made an initial cash payment of $674,110 to acquire the stock of Byrne. The agreement also provides for an earn out which is estimated to be $1,222,340. The total fair value of the consideration is $1,896,450.

The 2007 acquisition was accounted for using the purchase method of accounting. The 2009 acquisition was accounted for using the acquisition method in accordance with ASC-805, Business Combinations. The purchase price has been allocated to the assets based on their estimated fair values at the date of acquisition. The excess purchase price over the estimated fair value of the net assets acquired has been recorded as goodwill. In each acquisition, identified intangible assets had de minimis value as the Company was primarily acquiring an assembled workforce in addition to the tangible net assets identified below.

	2007	2008	2009
Cash	$ 692,007	$ —	$ —
Accounts receivable	2,419,386	—	—
Inventory	3,575,968	—	—
Prepaid expenses and other current assets	132,500	—	18,177
Property and equipment	78,613	—	113,842
Goodwill	7,645,805	—	2,492,165
Accounts payable	(2,440,437)	—	(345,181)
Accrued liabilities	(422,839)	—	(1,222,340)
Long-term debt, net	—	—	(382,553)
Other liabilities	(208,529)	—	—
Purchase price	$ 11,472,474	$ —	$ 674,110
Total, net of cash received	$ 10,780,467	$ —	$ 674,110
Total fair value of consideration	$ 11,472,474	$ —	$ 1,896,450

The allocation of the purchase price for the 2007 acquisition is final and is based on management's best estimates. During 2008, no acquisitions or related transactions occurred. The allocation of the purchase price for 2009 is preliminary, as the settlement of the pre-existing litigation and contractual disputes that existed at the 2009 acquisition date may vary from estimates in the purchase price allocation.

The results of the acquired companies since the date of the acquisitions have been included in the Company's operations as presented in the accompanying consolidated statements of income and comprehensive income and consolidated statements of cash flows. Pro forma financial information has not been presented as the acquisitions are not material. The revenue and pre-tax loss of Byrne in 2009 was $1,176,953 and $97,138, respectively, following the acquisition date.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2008 and 2009:

	2008	2009
Furniture and office equipment	$ 1,211,596	$ 1,271,569
Computer equipment and software costs	6,903,526	8,453,230
Leasehold improvements	823,635	1,311,625
Automobiles	424,088	505,029
	9,362,845	11,541,453
Less — accumulated depreciation	5,649,627	7,168,197
Property and equipment, net	$ 3,713,218	$ 4,373,256

Depreciation expense on property and equipment for the years ended December 31, 2007, 2008 and 2009 was approximately $1,056,197, $1,064,859 and $1,372,885, respectively, and is included in general, administrative and other expenses in the accompanying consolidated statements of income and comprehensive income.

5. PROJECT ASSETS

Project assets consisted of the following at December 31, 2008 and 2009:

	2008	2009
Project assets	$ 117,935,266	$ 137,957,879
Less — accumulated depreciation and amortization	14,881,913	20,319,889
Project assets, net	$ 103,053,353	$ 117,637,990

In 2009, the Company received $12,864,644 in grant awards from the U.S. Treasury Department (the "Treasury") under Section 1603 of the 2009 American Recovery and Reinvestment Act (the Act). The Act authorizes the Treasury to make payments to eligible persons who place in service qualifying renewable energy projects. The grants are paid in lieu of investment tax credits. All of the proceeds from the grants were used and recorded as a reduction in the cost basis of the applicable project assets. If the Company disposes of the property, or the property ceases to qualify as a specified energy property, within five years from the date the property is placed in service, then a prorated portion of the Section 1603 payment must be repaid. For tax purposes, the Section 1603 payments are not included in federal and certain state taxable income and the basis of the property is reduced by 50% of the payment received. Deferred grant income of $4,158,508 in the accompanying consolidated balance sheets at December 31, 2009, represents the benefit of the basis difference to be amortized to income tax expense over the life of the related property.

Depreciation and amortization expense on the above project assets for the years ended December 31, 2007, 2008 and 2009 was approximately $2,845,131, $2,713,407 and $5,260,821, respectively, and is included in direct expenses in the accompanying consolidated statements of income and comprehensive income.

6. UNCOMPLETED CONTRACTS

Costs, estimated earnings and related billings on uncompleted contracts at December 31, 2008 and 2009, respectively, are as follows:

	2008	2009
Cost incurred to date	$ 510,818,791	$ 822,280,622
Estimated earnings	96,436,131	161,849,274
	607,254,922	984,129,896
Less — billings to date	(618,359,542)	(998,287,184)
	$ (11,104,620)	$ (14,157,288)

Included in the accompanying consolidated balance sheets are the following at December 31, 2008 and 2009:

	2008	2009
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 9,755,691	$ 14,009,076
Billings in excess of costs and estimated earnings on uncompleted contracts	(20,860,311)	(28,166,364)
	$ (11,104,620)	$ (14,157,288)

7. LONG-TERM DEBT

Long-term debt at December 31, 2008 and 2009 consisted of the following:

	2008	2009
Federal ESPC receivable financing	$ 29,234,584	$ 33,411,009
Revolving senior secured credit facility, due June 2011, interest at varying rates monthly in arrears	34,493,460	19,915,218
7.299% term note payable in quarterly installments through March 2013	5,132,000	4,115,000
6.90% term loan payable in quarterly installments through September 2014	6,248,569	5,415,426
8.673% term loan payable in quarterly installments through December 2015	6,035,625	5,220,000
6.345% term loan payable in quarterly installments through February 2021	3,039,683	2,901,845
6.345% term loan payable in quarterly installments through June 2024	11,939,299	12,866,491
Variable rate construction to term loan due September 2024	—	27,055,230
	96,123,220	110,900,219
Less — current maturities	5,142,757	8,093,016
Long-term debt	$ 90,980,463	$ 102,807,203

Aggregate maturities of long-term debt are as follows for the years ended December 31,:

2010	$ 8,093,016
2011	22,754,963
2012	3,023,020
2013	2,360,278
2014	1,685,031
Thereafter	72,983,911
	$ 110,900,219

Federal ESPC Receivable Financing

Represents construction draws received during the construction or installation of certain energy savings equipment or facilities in association with agreements to sell long-term receivables arising from ESPCs related to said equipment and facilities. These financings are with financial institutions and carry discount rates that vary by project ranging from 6.5% to 8.9%.

Revolving Senior Secured Credit Facilities

On June 10, 2008, the Company entered into a credit and security agreement with a bank, consisting of a $50,000,000 revolving facility. The agreement requires the Company to pay monthly interest at various rates in arrears, based on the amount outstanding. At December 31, 2009, the weighted-average interest rate was 3.34%. This facility has a maturity date of June 30, 2011. At December 31, 2008 and 2009, $34,493,460 and $19,915,218, respectively, was outstanding under the facility. The agreement contains various restrictive covenants and is secured by a lien on all of the assets of the Company other than renewable energy projects that the Company owns and that are financed by others.

On December 29, 2004, the Company entered into a credit and security agreement with a bank, consisting of a $10,000,000 term loan and a $15,000,000 revolving facility. The agreement required the Company to pay interest at various rates in arrears, based on the amounts outstanding. The term loan was payable in quarterly principal installments of $625,000, beginning in March 2005 and continuing through June 10, 2008, the amended maturity date of the term loan. The term loan and revolving facility matured and was paid in full on June 10, 2008.

At December 31, 2007, the term loan had a balance of $2,500,000, and $0 was outstanding under the revolving loan. The agreement contained various restrictive covenants and was secured by a lien on all of the assets of the Company other than renewable energy projects that the Company owns and that are financed by others.

7.299% Term Loan

The Company has a term loan with a bank with an original principal amount of $10,000,000. The notes evidencing the loan bear interest at a rate of 7.299%. The principal payments are due in semi-annual installments ranging from $404,000 to $638,500, plus interest, with remaining principal balances and unpaid interest due March 31, 2013. In the event a payment is defaulted on, the payee has the option to accelerate payment terms and make due the remaining principal and accrued interest balance. As of December 31, 2008 and 2009, $5,132,000 and $4,115,000, respectively, was outstanding under the term loan.

6.90% Term Loan

The Company has a construction and term loan with a bank with an original principal amount of $9,500,000. The notes evidencing the loan bear interest at a rate of 6.90%. The principal payments are due in semi-annual installments ranging from $306,000 to $698,000, plus interest, with remaining principal balances and unpaid interest due September 30, 2014. In the event a payment is defaulted on, the payee has the option to accelerate payment terms and make due the remaining principal and accrued interest balance. As of December 31, 2009, the Company was in default of one of its covenants, as the offtaker/counterparty of one of the underlying LFG facilities was working through Chapter 11 bankruptcy. The Company is currently working with the bank to renegotiate the facility. Renegotiations are ongoing and expected to be completed during the second quarter of 2010. The debt is recourse to the subsidiary only and there are no cross-default provisions. The Company has classified the entire debt as current on the accompanying consolidated balance sheets as of December 31, 2009. As of December 31, 2008 and 2009, $6,248,569 and $5,415,426, respectively, was outstanding under the term loan.

8.673% Term Loan

The Company has a construction and term loan agreement with a finance company with a total commitment amount of $7,250,000. The notes evidencing the construction portion of the loan bear interest at a variable rate based on LIBOR. In February 2007, the Company converted the construction loan into a term loan in accordance with the loan agreement. The original balance of the term loan was equal to the commitment amount and bears interest at a fixed rate of 8.673%. The principal payments are due in quarterly installments ranging from $96,000 to $217,500, plus interest, with remaining principal balances and unpaid interest due December 31, 2015.

As of December 31, 2008 and 2009, $6,035,625 and $5,220,000, respectively, was outstanding under the term loan. In the event a payment is defaulted on, the payee has the option to accelerate payment terms and make due the remaining principal and accrued interest balance.

Variable-Rate Construction and 6.345% Term Loans

On January 30, 2006, the Company entered into a master construction and term loan facility with a bank for use in providing limited recourse financing for certain of its LFG to energy projects. The total loan commitment is $17,156,395, and is comprised initially of two tranches, but structured for the addition of subsequent projects that meet lender credit requirements.

The first loan has an original balance of $3,239,734, and bears an interest rate of 6.345%. The principal payments are due in semi-annual installments ranging from $32,000 to $275,000, plus interest, with the remaining principal and unpaid interest due February 26, 2021.

The second loan was originated on September 28, 2007. During 2007 and 2008, the Company made draws as construction loans under the facility totaling $11,939,299, the amount outstanding at December 31, 2008. During 2009, the Company drew additional amounts totaling $1,141,308. The Company converted the construction loans into a term loan in August 2009 for a total term loan balance of $13,080,607. The loan bears interest at a variable rate and matures on June 30, 2024. As of December 31, 2008 and 2009, $14,978,982 and $15,768,336, respectively, was collectively outstanding under this facility.

In the event a payment is defaulted on, the payee has the option to accelerate payment terms and make due the remaining principal and accrued interest balance.

Variable-Rate Construction and Term Loan

In February 2009, the Company entered into a construction and term loan financing agreement with a bank for use in providing limited resource financing for certain of its landfill gas to energy projects. The total loan commitment under the agreement is $37,905,983, and bears interest at a variable rate. The rate at December 31, 2009 was 3.74%. As of December 31, 2009, $27,055,230 in construction loans was outstanding under the agreement. See Note 19.

Other

On December 31, 2007, in a refinancing and securitization transaction, the Company sold certain long-term receivables, contract rights and refinanced certain project finance debt acquired and assumed during the Company's 2006 acquisition. The investors and securitization trusts have no recourse to the Company for failure of the debtors to pay when due. The Company recognized a gain of approximately $2.3 million on this transaction, which is included in energy efficiency revenue on the accompanying consolidated statements of income and comprehensive income in 2007.

8. SUBORDINATED DEBT

In connection with the organization of the Company, on May 17, 2000, the Board of Directors authorized the Company to issue a subordinated note to the Company's principal and controlling shareholder in the amount of $2,998,750. The subordinated note bears interest at the rate of 10.00% per annum, payable monthly in arrears, and is subordinated to the Company's senior secured credit facility. The subordinated note is payable upon demand, subject to the subordination agreement described below. The Company incurred interest related to the subordinated note during the years ended December 31, 2007, 2008 and 2009, of $300,000, $300,000 and $300,000, respectively.

In conjunction with the Company entering into the senior secured credit facility (see Note 7), the holder of the subordinated note entered into an Intercreditor Subordination Agreement. Under the agreement, the subordinated lender agreed that the payment of principal, interest and all other charges with respect to the subordinated note is expressly subordinated in right of payment to the prior payment and satisfaction in full of the revolving senior secured credit facility. The intercreditor subordination agreement allows for the payment of interest on the subordinated note provided the Company is in compliance with all other covenants.

At December 31, 2009, the Company did not have any intention to make principal payments on the subordinated note and thus the subordinated note has been classified as long-term in the accompanying consolidated balance sheets.

9. INCOME TAXES

The components of domestic and foreign income before income taxes as of December 31, 2007, 2008 and 2009 are as follows:

	2007	2008	2009
Domestic	$ 10,194,751	$ 15,333,845	$ 22,702,229
Foreign	6,064,254	4,154,382	4,154,533
	$ 16,259,005	$ 19,488,227	$ 26,856,762

The income tax provision for the years ended December 31, 2007, 2008 and 2009 is as follows:

	2007	2008	2009
Current:			
Federal	$ 5,214,147	$ (565,975)	$ (1,415,107)
State	1,522,594	1,862,654	548,246
Foreign	2,607,629	1,990,048	4,146,311
	9,344,370	3,286,727	3,279,450
Deferred:			
Federal	(2,483,856)	(3,517,257)	7,095,001
State	(1,146,924)	(1,029,898)	587,252
Foreign	—	2,475,555	(4,012,089)
	(3,630,780)	(2,071,600)	3,670,164
	$ 5,713,590	$ 1,215,127	$ 6,949,614

The Company's deferred income tax assets and liabilities result primarily from temporary differences between financial reporting and tax recognition of depreciation, reserves, and certain accrued liabilities. Deferred income tax assets and liabilities at December 31, 2008 and 2009 consist of the following:

	2008	2009
Deferred income tax assets:		
Compensation accruals	$ 3,745,551	$ 1,852,578
Reserves	431,672	1,940,919
Other accruals	3,058,596	2,500,316
Net operating losses	—	877,518
Goodwill	349,654	76,270
State items	264,467	444,523
Interest rate swaps	1,690,268	801,180
Credits	—	786,169
Gross deferred income tax assets	9,540,208	9,279,473
Deferred income tax liabilities:		
Depreciation	(4,430,097)	(7,645,315)
Contract refinancing	(3,749,313)	(3,147,505)
Canada	(3,981,314)	(338,435)
Acquisition accounting	—	(770,390)
Gross deferred income tax liabilities	(12,160,724)	(11,901,645)
Deferred income tax assets and liabilities, net	$ (2,620,516)	$ (2,622,172)

The provision for income taxes is based on the various rates set by federal and local authorities and is affected by permanent and temporary differences between financial accounting and tax reporting requirements. The following is a reconciliation of the effective tax rates for 2007, 2008 and 2009:

	2007	2008	2009
Income before income tax	$ 16,259,005	$ 19,488,227	$ 26,856,762
Federal statutory tax expense	$ 5,690,652	$ 6,820,879	$ 9,399,917
State income taxes, net of federal benefit	748,190	595,632	1,259,719
Net state impact of deferred rate change	—	(141,358)	(997,011)
Meals and entertainment	66,986	87,068	88,798
Stock-based compensation expense	131,621	177,972	459,439
Energy efficiency preferences	(1,212,142)	(7,965,383)	(2,973,669)
Foreign items and rate differential	210,140	1,359,105	(413,467)
Other state benefits	—	—	(309,752)
Miscellaneous	78,143	281,212	435,640
	$ 5,713,590	$ 1,215,127	$ 6,949,614

AMERESCO, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	2007	2008	2009
Effective tax rate:			
Federal statutory rate expense	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	4.6%	3.1%	4.7%
Net state impact of deferred rate change	—%	(.7)%	(3.7)%
Meals and entertainment	.4%	.4%	.3%
Stock-based compensation expense	.8%	.9%	1.7%
Energy efficiency preferences	(7.5)%	(40.9)%	(11.1)%
Foreign rate differential	1.3%	7.0%	(1.5)%
Other state benefits	—%	—%	(1.2)%
Miscellaneous	.5%	1.4%	1.6%
	35.1%	6.2%	25.8%

The Company adopted ASC 740-10 — Uncertain Tax Positions as of January 1, 2007, as required. As a result, the Company recorded a cumulative effect related to adopting ASC 740-10 through retained earnings of approximately $270,000.

The Company had a gross unrecognized tax benefit of $4,500,000 and $4,400,000 at December 31, 2008 and 2009, respectively. The Company also had accrued interest and penalties of approximately $800,000 and $1,100,000 for years ended December 31, 2008 and 2009, respectively.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits for the years ended December 31, 2008 and 2009 is as follows:

	2008	2009
Balance, beginning of year	$ 3,500,000	$ 4,500,000
Additions for prior year tax positions	1,300,000	100,000
Settlements paid to tax authorities	—	—
Reductions of prior year tax positions	(300,000)	(200,000)
Balance, end of year	$ 4,500,000	$ 4,400,000

At December 31, 2009, the Company had net operating loss carryforwards of $2.1 million, which will expire from 2011 through 2029.

The tax years 2006 through 2009 remain open to examination by major taxing jurisdictions. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes.

10. STOCKHOLDERS' EQUITY

Stock Split

Prior to the consummation of the initial public offering of the Company's Class A common stock, the number of authorized shares will be increased to . In addition, all common share and per share amounts in the consolidated financial statements and notes thereto have been restated to reflect a two for one stock split effective on , 2010.

Common Stock

The Company has authorized 60,000,000 shares of common stock, par value $0.0001 per share ("Common Stock"), as of December 31, 2009. Each share of Common Stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Holders of Common Stock are entitled to receive dividends, if any, as declared by the Company's board of directors, subject to any preferential dividend rights of the Preferred Stock ("Preferred Stock").

Preferred Stock

The Company issued 3,220,000 shares of Series A Preferred Stock (the "Series A Preferred Stock") during the period from inception (April 25, 2000) to December 31, 2000. The Series A Preferred Stock was issued to several officers of the Company as well as a related party at a price of $1.00 per share. Each share of Series A Preferred Stock is convertible, at the option of the holder, at any time and from time to time and without the payment of additional consideration by the holder, into three fully paid and nonassessable shares of Common Stock. On any matter presented to the stockholders of the Company, each holder of outstanding shares of Series A Preferred Stock is entitled to the number of votes equal to the number of whole shares of Common Stock into which the Series A Preferred Stock are convertible. The Company had authorized 3,500,000 shares of Series A Preferred Stock, par value $0.0001 per share, as of December 31, 2009.

The Company is not permitted to declare or pay any cash dividends on shares of Common Stock until the holders of shares of Series A Preferred Stock have first received a cash dividend on each outstanding share of Preferred Stock in an amount at least equal to the product of the per share amount and the whole number of common shares into which such shares of Series A Preferred Stock are then convertible. Additionally, all Series A Preferred Stock holders receive preferential treatment in the event of the liquidation or dissolution of the Company. During the year ended December 31, 2002, 10,000 shares of Series A Preferred Stock were converted into 30,000 shares of Common Stock and repurchased by the Company. These shares have been recorded, at cost, as treasury stock in the accompanying consolidated statements of changes in stockholders' equity. Dividends were not declared in 2007, 2008 or 2009.

Warrants

As part of a previous debt agreement, the Company issued fully vested warrants to acquire 2,000,000 and 1,600,000 shares of common stock in 2001 and 2002, respectively. The warrants have an exercise price of $0.005 and $0.30, respectively. The warrants may be exercised upon cash payment determined by multiplying the number of shares exercised by the warrant price. The warrants are entitled to receive a proportionate share of any distributions made to holders of the Common Stock. The warrants will expire on June 29, 2011.

During 2008, the Company repurchased a selected number of warrants at an estimated average market value of $2.505 per share. There were a total of 3,194,714 warrants repurchased at a total net price of $7,998,001. This transaction is recorded in additional paid-in capital in the accompanying consolidated balance sheets for 2008.

Share Repurchases

On April 27, 2007, the Company repurchased a selected number of shares of Common Stock from certain employees at $3.41 per share. There were 734,050 shares repurchased at a total net price of $2,521,245.

During 2008, through three separate transactions, the Company repurchased 1,333,334 shares of Common Stock from certain employees and stockholders at $3.315 per share, or a total net price of $4,914,169. The repurchased shares are recorded as treasury stock in the accompanying consolidated balance sheets for 2008.

During 2009, the Company repurchased 144,500 shares of Common Stock from an employee at $6.055 per share, or a total net price of $874,948. The repurchased shares are recorded as treasury stock in the accompanying consolidated balance sheets for 2009.

11. STOCK INCENTIVE PLAN

On October 27, 2000, the Company's Board of Directors approved the Company's 2000 Stock Incentive Plan (the "Plan") and authorized the Company to reserve 12,000,000 shares of common stock for issuance under the Plan. On August 7, 2001 and April 25, 2002, the Company's Board of Directors authorized the Company to reserve an additional 4,000,000 shares of common stock for issuance under the Plan, bringing the total number of shares of common stock reserved under the Plan to 16,000,000. On June 1, 2003 and October 25, 2006, the Company's Board of Directors authorized the Company to reserve an additional 4,500,000 shares of common stock for issuance under the Plan, bringing the total number of shares of common stock reserved under the Plan to 20,500,000. The Plan provides for the issuance of restricted stock grants, incentive stock options and nonqualified stock options. On July 22, 2009, the Company's Board of Directors authorized the Company to reserve an additional 8,000,000 shares of common stock for issuance under the Plan, bringing the total number of shares of common stock reserved under the Plan to 28,500,000.

Grants of Restricted Shares

On October 25, 2006, the Company issued 2,000,000 shares of restricted stock to the Company's principal and controlling shareholder under the 2000 Stock Incentive Plan as consideration for providing an indemnification to the Company's surety provider (see Note 15). The shares vested entirely upon the date three years from the date of grant. The stock was issued when the fair value was estimated to be $3.41 per share. The Company recorded an expense of $2,273,333, $2,273,333 and $1,856,036 in 2007, 2008 and 2009, respectively, related to this award. On October 25, 2009, these shares vested. The Company recorded excess tax benefits of $2,077,128 related to the vesting of these shares in the accompanying consolidated statements of changes in stockholders' equity in 2009.

Stock Option Grants

The Company has also granted stock options to certain employees and directors under the Plan. At December 31, 2009, 8,445,600 shares were available for grant under the Plan. The following table summarizes the activity under the Plan:

	Number of Options	Weighted-Average Exercise Price
Outstanding at December 31, 2006	10,013,300	$ 1.705
Granted	1,407,000	3.93
Exercised	(152,000)	(0.485)
Forfeited	(225,800)	(2.94)
Outstanding at December 31, 2007	11,042,500	1.98
Granted	303,000	5.60
Exercised	(28,000)	(2.40)
Forfeited	(582,000)	(2.945)
Outstanding at December 31, 2008	10,735,500	2.03
Granted	862,000	6.055
Exercised	(1,738,000)	(0.505)
Forfeited	(409,300)	(2.02)
Outstanding at December 31, 2009	9,450,200	$ 2.68
Options exercisable at December 31, 2009	7,033,550	$ 2.145
Expected to vest at December 31, 2009	1,880,164	$ 4.69
Options exercisable at December 31, 2008	8,428,306	$ 1.535

The weighted-average remaining contractual life of options expected to vest at December 31, 2009 was 5.01 years. The total intrinsic value of options exercised during the years ended December 31, 2008 and 2009 was $500,390 and $18,213,570, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes information about stock options outstanding at December 31, 2009.

	Outstanding Options			Exercisable Options	
Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$0.0084	32,000	0.86	$ 0.0084	32,000	$ 0.0084
0.45	406,000	1.10	0.45	406,000	0.45
0.75	500,000	1.97	0.75	500,000	0.75
0.875	1,776,200	2.55	0.875	1,776,200	0.875
1.50	50,000	3.08	1.50	50,000	1.50
1.75	410,000	3.53	1.75	410,000	1.75
1.875	200,000	3.73	1.875	200,000	1.875
2.75	1,510,000	4.52	2.75	1,510,000	2.75
3.00	60,000	5.07	3.00	57,000	3.00
3.25	1,387,000	3.71	3.25	1,032,650	3.25
3.41	1,083,000	3.54	3.41	601,100	3.41
4.22	970,000	4.21	4.22	409,000	4.22
6.055	1,076,000	5.92	6.055	59,600	6.055
	9,450,200			7,033,550	

Cash received from option exercise under all stock-based payment arrangements for the years ended December 31, 2008 and 2009 was $67,250 and $874,760, respectively. Total shares exercised during 2008 included cashless exercises. No actual tax benefit was realized from option exercises during these periods.

Under the terms of the Plan, all options expire if not exercised within ten years after the grant date. The options generally vest over five years at a rate of 20% after the first year, and at a rate of five percent every three months beginning one year after the grant date. If the employee ceases to be employed by the Company for any reason before vested options have been exercised, the employee has 90 days to exercise vested options or they are forfeited.

The Company uses the Black-Scholes option pricing model to determine the weighted-average fair value of options granted. The Company will recognize the compensation cost of stock-based awards on a straight-line basis over the vesting period of the award.

The determination of the fair value of stock-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The following table sets forth the significant assumptions used in the model during 2007, 2008 and 2009:

	Years Ended December 31,		
	2007	2008	2009
Future dividends	$ —	$ —	$ —
Risk-free interest rate	4.26-4.84%	2.90-5.07%	2.00-2.94%
Expected volatility	32%-43%	48%-54%	57%-59%
Expected life	6.5 years	6.5 years	6.5 years

The Company will continue to use judgment in evaluating the expected term, volatility and forfeiture rate related to the stock-based compensation on a prospective basis, and incorporating these factors into the Black-

Scholes pricing model. Higher volatility and longer expected lives result in an increase to stock-based compensation expense determined at the date of grant. In addition, any changes in the estimated forfeiture rate can have a significant effect on reported stock-based compensation expense, as the cumulative effect of adjusting the rate for all expense amortization is recognized in the period that the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in the accompanying consolidated financial statements. If a revised forfeiture rate is lower than the previously estimated rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in the accompanying consolidated financial statements. These expenses will affect the direct expenses, salaries and benefits and project development costs expenses.

The weighted-average fair value of stock options granted during the years ended December 31, 2007, 2008 and 2009, under the Black-Scholes option pricing model was $3.765, $5.455 and $7.91, respectively per share. For the years ended December 31, 2007, 2008 and 2009, the Company recorded stock-based compensation expense of approximately $376,000, $508,000 and $1,312,685, respectively, in connection with stock-based payment awards. The compensation expense is allocated between direct expenses, salaries and benefits and project development costs in the accompanying consolidated statements of income and comprehensive income based on the salaries and work assignments of the employees holding the options. As of December 31, 2009, there was approximately $6.8 million of unrecognized compensation expense related to non-vested stock option awards that is expected to be recognized over a weighted-average period of 4.02 years.

12. EMPLOYEE BENEFITS

The Company has salary reduction/profit sharing plans under the provisions of Section 401(k) of the Internal Revenue Code. The plans cover all employees who have completed the minimum service requirement, as defined by the plans. The plans require the Company to contribute 100% of the first six percent of base compensation that a participant contributes to the plans. Matching contributions made by the Company were approximately $1,211,000, $1,495,000 and $2,238,373 for the years ended December 31, 2007, 2008 and 2009, respectively.

13. COMMITMENTS AND CONTINGENCIES

The Company leases certain administrative offices. The leases are long-term noncancelable real estate lease agreements, expiring at various dates through fiscal 2017. The agreements generally provide for fixed minimum rental payments and the payment of utilities, real estate taxes, insurance and repairs. Rent and related expenses for the years ended December 31, 2007, 2008 and 2009 was approximately $2,912,000, $3,442,000 and $3,328,646, respectively.

The Company's lease obligations under operating leases are as follows:

	Operating Leases
Years ended December 31,:	
2010	$ 2,194,694
2011	1,064,930
2012	753,758
2013	491,144
2014	254,148
Thereafter	762,443
Total minimum lease payments	$ 5,521,117

Legal Proceedings

In the ordinary course of business, the Company may be involved in a variety of legal proceedings.

In 2009, a lawsuit was filed against the Company. In the lawsuit, the plaintiff alleged that the Company caused action for damages by soliciting and hiring the plaintiff's employees. The Company and the plaintiff settled the lawsuit by the Company paying $1.8 million to the plaintiff and in exchange both parties agreed to dismiss the lawsuit and reciprocally release and discharge each other from all claims stated or which could have been stated in the action against each other. The settlement was not construed as an admission of any wrongdoing, but rather was an economic decision to settle and compromise disputed claims. The settlement was recorded in 2009 in general, administrative and other expenses in the accompanying consolidated statements of income and comprehensive income.

At the time of the Company's 2006 acquisition of Select Energy Systems, Inc., the U.S. government was conducting an investigation of contracting practices at a site where the acquired company had performed energy conservation work. The Company negotiated financial concessions from the seller and had accrued for this contingency as part of its estimated opening balance sheet. Therefore, the Company had recorded $5.9 million as the best estimate of costs associated with managing and settling this contingency at May 5, 2006. During 2008, based on consultations with the customer and with legal advisors, the Company concluded that the contingency was no longer required. The recovery of $5.9 million was recorded for 2008 and is included in general, administrative and other expenses in the accompanying consolidated statements of income and comprehensive income.

On February 27, 2009, the Company received notice of a default termination from a customer for which the Company was performing construction services. The dispute involves the customer's assertion of its understanding of the contractual scope of work involved and with the completion date of the project. The Company disputes the customer's assertion as it believes that the basis of the default arose from a delay due to the discovery of and need for remediation of previously undiscovered hazardous materials not identified by the customer during contract negotiations. In February 2010, the Company filed a motion for summary judgment as to a portion of the complaint. In March 2010, the customer filed its response. Discovery is currently ongoing and no date has been set for a hearing on the Company's motion. The Company did not record an additional accrual for this matter beyond the adjustments made to the Company's expected profit on this contract because the Company believes that the likelihood is remote that any additional liability would be incurred related to this matter. Based on the contract termination notice, the Company has adjusted its expected contract revenue and profit until such time as this contingency is resolved. The Company had claims of approximately $3.0 million outstanding with the customer as of December 31, 2009. As of December 31, 2009, the Company has not recognized any revenue or profit associated with these claims.

14. GEOGRAPHIC INFORMATION

The Company attributes revenue to customers based on the location of the customer. The composition of the Company's assets as of December 31, 2008 and 2009, and revenues from sales to unaffiliated customers for the years ended December 31, 2007, 2008 and 2009, between those in the United States and those in other locations, is as follows:

	2008	2009
Assets:		
United States	$ 251,179,388	$ 322,599,256
Canada	40,847,585	52,945,352
	$ 292,026,973	$ 375,544,608

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	2007	2008	2009
Revenue:			
United States	$ 278,074,041	$ 308,559,860	$ 341,607,504
Canada	100,403,169	84,070,159	83,632,845
Other	—	3,223,710	3,276,240
	$ 378,477,210	$ 395,853,729	$ 428,516,589

15. RELATED PARTY TRANSACTIONS

The Company's principal and controlling shareholder provides a limited personal indemnification to the surety companies that provide performance and payment bonds and other surety products to the Company. In 2006, the Company issued 2,000,000 shares of restricted stock to the Company's principal and controlling shareholder under the 2000 Stock Incentive Plan (see Note 11) as compensation for providing the personal indemnification. In 2009, the Company issued 600,000 stock options to the principal and controlling shareholder under the 2000 Stock Incentive Plan as compensation for providing the personal indemnification.

16. OTHER INCOME (EXPENSE), NET

Other income (expense), net, consisted of the following items at December 31, 2007, 2008 and 2009:

	2007	2008	2009
Gain realized from derivative	$ —	$ —	$ 2,493,980
Unrealized (loss) gain from derivatives	(1,365,813)	(2,831,524)	2,263,802
Interest expense, net of interest income	(1,448,667)	(2,117,567)	(2,993,250)
Amortization of deferred financing costs	(323,587)	(238,454)	(201,622)
	$ (3,138,067)	$ (5,187,545)	$ 1,562,910

During 2009, the Company purchased an interest rate cap from a major bank to mitigate effects of rising interest rates on a fixed rate customer contract for approximately $2.2 million. The Company terminated the agreement in 2009 and realized a gain of approximately $2.5 million. The Company did not designate this derivative as a cash flow hedge; therefore hedge accounting was not applied.

17. FAIR VALUE MEASUREMENT

On January 1, 2008, the Company adopted new guidance for its financial assets and liabilities recognized at fair value on a recurring basis (at least annually). The guidance defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also describes three levels of inputs that may be used to measure fair value:

Level 1: Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2: Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following table presents the input level used to determine the fair values of the Company's financial instruments measured at fair value on a recurring basis for the years ended December 31, 2008 and 2009:

	Level	Fair Value as of December 31, 2008	Fair Value as of December 31, 2009
Liabilities:			
Interest rate swap instruments	2	$ 4,197,337	$ 1,933,535
Total liabilities		$ 4,197,337	$ 1,933,535

The fair value of the Company's interest rate swaps was determined using cash flow analysis on the expected cash flow of the contract in combination with observable market-based inputs, including interest rate curves and implied volatilities. As part of this valuation, the Company considered the credit ratings of the counterparties to the interest rate swaps to determine if a credit risk adjustment was required.

The Company is also required periodically to measure certain other assets at fair value on a nonrecurring basis, including long-lived assets, goodwill and other intangible assets. The Company determined the fair value used in the impairment analysis with its own discounted cash flow analysis. The Company has determined the inputs used in such analysis as Level 3 inputs. The Company did not record any impairment charges on goodwill or other intangible assets as no significant events requiring non-financial assets and liabilities to be measured at fair value occurred during the years ended December 31, 2007, 2008 and 2009. The Company did record an impairment charge on long-lived assets during 2007 and 2008 (see Note 2).

18. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

As of December 31, 2008 and 2009, the following table presents information about the fair value amounts of the Company's derivative instruments:

	Liability Derivatives as of December 31, 2008		2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments:				
Interest rate swap contracts	Other liabilities	$ 4,197,337	Other liabilities	$ 1,933,535

The following table presents information about the effects of the Company's derivative instruments on the consolidated statements of income and comprehensive income:

	Location of Gain (Loss) Recognized in Income on Derivative	Amount of (Loss) Gain Recognized in Income on Derivative for the Years Ended December 31, are as follows: 2007	2008	2009
Derivatives Not Designated as Hedging Instruments				
Interest rate swap contracts	Interest (expense) income	$ (1,365,813)	$ (2,831,524)	$ 2,263,802
Interest rate cap	Interest (expense) income	$ —	$ —	$ 2,493,980

19. SUBSEQUENT EVENTS

During 2010, the Company drew additional construction draws totaling $812,397 under the construction and term loan financing agreement that it entered into in February 2009 (see Note 7). In March 2010, the Company converted the construction loans to a term loan totaling $27,867,626. The loan bears interest at a fixed rate of 6.95%, with quarterly principal payments ranging from $206,211 to $2,424,302. The loan matures in 2024.

During 2010, the Company entered into four federal ESPC receivable financing arrangements. These financings are with various financial institutions and total approximately $40,417,000. Discount rates vary by project, ranging from 6.80% to 7.81%.

The Company has evaluated subsequent events through the date of this filing.

AMERESCO, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2009	March 31, 2010 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 47,927,540	$ 24,361,479
Restricted cash	9,249,885	13,344,727
Accounts receivable, net	61,279,515	50,762,670
Accounts receivable retainage	9,242,288	12,788,553
Costs and estimated earnings in excess of billings	14,009,076	16,851,772
Inventory, net	4,237,909	4,780,024
Prepaid expenses and other current assets	8,077,761	11,617,738
Deferred income taxes	9,279,473	9,459,602
Project development costs	8,468,974	8,348,019
Total current assets	171,772,421	152,314,584
Federal ESPC receivable financing	51,397,347	74,275,828
Property and equipment, net	4,373,256	4,460,842
Project assets, net	117,637,990	121,767,502
Deferred financing fees, net	3,582,560	3,698,288
Goodwill	16,132,429	16,132,429
Other assets	10,648,605	9,548,406
	203,772,187	229,883,295
	$ 375,544,608	$ 382,197,879
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 8,093,016	$ 11,742,110
Accounts payable	75,578,378	53,545,690
Accrued expenses	18,362,674	14,776,668
Billings in excess of cost and estimated earnings	28,166,364	27,623,326
Income taxes payable	2,129,529	2,538,830
Total current liabilities	132,329,961	110,226,624
Long-term debt:		
Long-term debt, less current portion	102,807,203	128,373,573
Subordinated debt	2,998,750	2,998,750
Deferred income taxes	11,901,645	11,901,645
Deferred grant income	4,158,508	4,158,508
Other liabilities	18,578,754	19,378,556
	140,444,860	166,811,032
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Series A convertible preferred stock, $0.0001 par value, 3,500,000 shares authorized, 3,210,000 shares issued and outstanding	321	321
Common stock, $0.0001 par value, 60,000,000 shares authorized, 17,998,168 shares issued and 13,282,284 outstanding at 12/31/2009, 17,998,168 shares issued and 13,282,284 outstanding at 3/31/2010	1,800	1,800
Additional paid-in capital	10,466,312	10,905,398
Retained earnings	97,882,985	99,160,663
Less — treasury stock, at cost, 4,715,884 shares and 4,715,884 shares, respectively	(8,413,601)	(8,413,601)
Accumulated other comprehensive income	2,831,970	3,505,642
Total stockholders' equity	102,769,787	105,160,223
	$ 375,544,608	$ 382,197,879

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERESCO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2010
	(Unaudited)	
Revenue:		
Energy efficiency revenue	$ 57,228,057	$ 74,887,569
Renewable energy revenue	16,159,024	30,741,017
	73,387,081	105,628,586
Direct expenses:		
Energy efficiency expenses	46,770,268	62,524,147
Renewable energy expenses	12,923,828	24,705,410
	59,694,096	87,229,557
Gross profit	13,692,985	18,399,029
Operating expenses:		
Salaries and benefits	6,065,740	8,157,029
Project development costs	2,737,707	3,129,437
General, administrative and other	4,222,161	4,549,938
	13,025,608	15,836,404
Operating income	667,377	2,562,625
Other income (expenses), net (see Note 8)	(24,441)	(855,689)
Income before provision for income taxes	642,936	1,706,936
Income tax provision	(225,027)	(429,258)
Net income	417,909	1,277,678
Other comprehensive income (loss):		
Unrealized loss from interest rate hedge, net of tax	—	(320,227)
Foreign currency translation adjustment	(663,738)	993,899
Comprehensive (loss) income	$ (245,829)	$ 1,951,350
Net income per share attributable to common shareholders:		
Basic	$ 0.04	$ 0.10
Diluted	$ 0.01	$ 0.03
Weighted average common shares outstanding:		
Basic	9,621,351	13,282,284
Diluted	32,957,183	36,587,847

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERESCO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			Shares	Amount		
Balance, December 31, 2009	3,210,000	$ 321	17,998,168	$ 1,800	$ 10,466,312	$ 97,882,985	4,715,884	$ (8,413,601)	$ 2,831,970	$ 102,769,787
Stock-based compensation expense	—	—	—	—	439,086	—	—	—	—	439,086
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	993,899	993,899
Unrealized loss from interest rate hedge, net of tax	—	—	—	—	—	—	—	—	(320,227)	(320,227)
Net income	—	—	—	—	—	1,277,678	—	—	—	1,277,678
Balance, March 31, 2010	3,210,000	$ 321	17,998,168	$ 1,800	$ 10,905,398	$ 99,160,663	4,715,884	$ (8,413,601)	$ 3,505,642	$ 105,160,223

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERESCO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2010
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 417,909	$ 1,277,678
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation of project assets	803,407	1,755,132
Depreciation of property and equipment	303,194	387,531
Amortization of deferred financing fees	65,202	70,350
Provision for bad debts	229,316	17,834
Unrealized (gain) loss on interest rate swaps	682,367	(133,591)
Stock-based compensation expense	616,600	439,086
Deferred income taxes	2,400,493	1,602,408
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Restricted cash draws	2,188,442	214,939
Accounts receivable	10,109,426	10,914,236
Accounts receivable retainage	(756,789)	(3,294,743)
Federal ESPC receivable financing	(1,944,586)	1,850,132
Inventory	(584,885)	(543,415)
Costs and estimated earnings in excess of billings	(8,258,230)	(2,704,612)
Prepaid expenses and other current assets	755,176	(3,516,043)
Project development costs	(516,366)	132,260
Other assets	1,404,315	1,199,776
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,334,494)	(28,098,390)
Billings in excess of cost and estimated earnings	(3,760,182)	(705,848)
Other liabilities	(11,264,490)	933,533
Income taxes payable	(2,209,367)	266,389
Net cash used in operating activities	(19,653,542)	(17,935,358)
Cash flows from investing activities:		
Purchases of property and equipment	(376,548)	(424,376)
Purchases of project assets	(9,487,717)	(5,874,481)
Net cash used in investing activities	(9,864,265)	(6,298,857)
Cash flows from financing activities:		
Payments of finance fees	(70,063)	(186,078)
Repurchase of stock	(874,948)	—
Proceeds from (repayments of) senior secured credit facility	5,865,896	5,017,004
Proceeds from long-term debt financing	15,093,753	812,398
Restricted cash	(230,382)	(4,309,781)
Payments of long-term debt	(1,153,221)	(1,342,551)
Net cash provided by (used in) financing activities	$ 18,631,035	$ (9,008)
Effect of exchange rate changes on cash	$ (332,306)	$ 677,162
Net increase (decrease) in cash and cash equivalents	(11,219,078)	(23,566,061)
Cash and cash equivalents, beginning of year	18,149,145	47,927,540
Cash and cash equivalents, end of year	$ 6,930,067	$ 24,361,479
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 897,096	$ 817,393
Income taxes	$ 266,613	$ 959,060

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMERESCO, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. DESCRIPTION OF BUSINESS

Ameresco, Inc. and Subsidiaries (the "Company") was organized as a Delaware corporation on April 25, 2000. The Company is a provider of energy efficiency solutions for facilities throughout North America. The Company operates in one business segment — providing solutions, both products and services, that enable customers to reduce their energy consumption, lower their operating and maintenance costs and realize environmental benefits. The Company's comprehensive set of services includes upgrades to a facility's energy infrastructure and the construction and operation of small-scale renewable energy plants. It also sells certain photovoltaic equipment worldwide. The Company operates in the United States, Canada, and Europe.

The Company is compensated through a variety of methods, including: 1) direct payments based on fee-for-services contracts (utilizing lump-sum or cost-plus pricing methodologies); 2) the sale of energy from the Company's generating assets; and 3) direct payment for photovoltaic equipment and systems.

The condensed consolidated financial statements as of December 31, 2009, and March 31, 2010, and for the three months ended March 31, 2009 and 2010, include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated. The condensed consolidated financial statements as of March 31, 2010, and for the three months ended March 31, 2009 and 2010, are unaudited. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted. The interim condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation in conformity with GAAP. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included on pages F-3 to F-34. The results of operations for the interim periods should not be considered indicative of results to be expected for the full year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Ameresco, Inc. and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Gains and losses from the translation of all foreign currency financial statements are recorded in the accumulated other comprehensive income (loss) account within stockholders' equity.

Stock Split

Prior to the consummation of the initial public offering of the Company's Class A common stock, the number of authorized shares will be increased to . In addition, all common share and per share amounts in the consolidated financial statements and notes thereto have been restated to reflect a two for one stock split effective on , 2010.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The most significant estimates with regard to these consolidated financial statements relate to the estimation of final construction contract profit in accordance with accounting for long-term contracts, allowance for doubtful accounts, inventory reserves, project development costs, fair value of derivative financial instruments and stock based awards, impairment of long lived assets, income taxes and estimating potential liability in conjunction with certain commitments and contingencies. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes cash on deposit, overnight repurchase agreements, and amounts invested in highly liquid money market funds. Cash equivalents consist of short term investments with original maturities of three months or less. The Company maintains accounts with financial institutions and the balances in such accounts, at times, exceed federally insured limits. This credit risk is divided among a number of financial institutions that management believes to be of high quality. The carrying amount of cash and cash equivalents approximates their fair value.

Restricted Cash

Restricted cash consists of cash held in an escrow account in association with construction draws for energy savings performance contracts ("ESPCs"), as well as cash required under term loans to be maintained in debt service reserve accounts until all obligations have been indefeasibly paid in full.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those accounts receivable considered to be uncollectible based upon historical experience and management's evaluation of outstanding accounts receivable at the end of the year. Bad debts are written off against the allowance when identified. Changes in the allowance for doubtful accounts for the quarterly periods ended March 31, 2009 and 2010, are as follows:

	2009	2010
Balance at beginning of period	$ 1,049,711	$ 1,602,079
Charges to costs and expenses	229,316	17,834
Account write-offs and other deductions	(10,417)	(32,356)
Balance at end of period	$ 1,268,610	$ 1,587,557

At December 31 2009, the Company had one customer that accounted for approximately 14% of the Company's total accounts receivable. At March 31, 2010, no customer accounted for more than 10% of the Company's total accounts receivable.

During the quarter ended March 31, 2009, no customer accounted for more than 10% of the Company's total revenue. During the quarter ended March 31, 2010, one customer accounted for 14.1% of the Company's total revenue.

Accounts Receivable Retainage

Accounts receivable retainage represents amounts due from customers, but where payments are withheld contractually until certain construction milestones are met. Amounts retained typically range from 5% to 10% of the total invoice.

Inventory

Inventories, which consist of photovoltaic solar panels, batteries, and related accessories, are stated at the lower of cost (“first-in, first-out” method) or market (determined on the basis of estimated realizable values). Provisions have been made to reduce the carrying value to the realizable value.

Prepaid Expenses

Prepaid expenses consist primarily of short-term prepaid expenditures that will amortize within one year.

Federal ESPC Receivable Financing

Federal ESPC receivable financing represents the amount to be paid by various federal government agencies for work performed and earned by the Company under specific ESPCs. The Company assigns certain of its rights to receive those payments to third-party lenders that provide construction and permanent financing for such contracts. The receivable is recognized as revenue as each project is constructed. Upon completion and acceptance of the project by the government, the assigned ESPC receivable and corresponding related project debt are eliminated from the Company’s financial statements.

Project Development Costs

The Company capitalizes as project development costs only those costs incurred in connection with the development of energy projects, primarily direct labor, interest costs, outside contractor services, consulting fees, legal fees and travel, if incurred after a point in time where the realization of related revenue becomes probable. Project development costs incurred prior to the probable realization of revenue are expensed as incurred. The Company classifies project development costs as a current asset as the development efforts are expected to proceed to construction activity in the twelve months that follow.

Property and Equipment

Property and equipment consists primarily of office and computer equipment. These assets are recorded at cost. Major additions and improvements are capitalized as additions to the property and equipment accounts, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets, are expensed as incurred. Depreciation and amortization of property and equipment are computed on a straight-line basis over the following estimated useful lives:

Asset Classification	Estimated Useful Life
Furniture and office equipment	Five years
Computer equipment and software costs	Five years
Leasehold improvements	Lesser of term of lease or five years
Automobiles	Five years

Project Assets

Project assets consist of costs of materials, direct labor, interest costs, outside contract services and project development costs incurred in connection with the construction of small-scale renewable energy plants that the Company owns and the implementation of energy savings contracts. These amounts are capitalized and amortized over the lives of the related assets or the terms of the related contracts.

The Company capitalizes interest costs relating to construction financing during the period of construction. The interest capitalized is included in the total cost of the project at completion. The amount of interest capitalized for the periods ended March 31, 2009 and 2010, was $324,893 and $252,113, respectively.

Routine maintenance costs are expensed in the current year's consolidated statement of income and comprehensive income to the extent that they do not extend the life of the asset. Major maintenance, upgrades and overhauls are required for certain components of the Company's assets, including its landfill gas ("LFG") facilities. In these instances, the costs associated with these upgrades are capitalized and are depreciated over the shorter of the life of the asset or until the next required major maintenance or overhaul period. Gains or losses on disposal of property and equipment are reflected in general, administrative and other expenses in the consolidated statements of income and comprehensive income.

The Company evaluates its long-lived assets for impairment as events or changes in circumstances indicate the carrying value of these assets may not be fully recoverable. The Company evaluates recoverability of long-lived assets to be held and used by estimating the undiscounted future cash flows before interest associated with the expected uses and eventual disposition of those assets. When these comparisons indicate that the carrying value of those assets is greater than the undiscounted cash flows, the Company recognizes an impairment loss for the amount that the carrying value exceeds the fair value.

Deferred Financing Fees

Deferred finance fees relate to the external costs incurred to obtain financing for the Company. All deferred financing fees are amortized over the respective term of the financing.

Goodwill

The Company has classified as goodwill the excess of fair value of the net assets (including tax attributes) of companies acquired in purchase transactions. The Company assesses the impairment of goodwill and intangible assets with indefinite lives on an annual basis (December 31st) and whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company would record an impairment charge if such an assessment were to indicate that, more likely than not, the fair value of such assets was less than their carrying values. Judgment is required in determining whether an event has occurred that may impair the value of goodwill or identifiable intangible assets.

Factors that could indicate that an impairment may exist include significant underperformance relative to plan or long-term projections, significant changes in business strategy, significant negative industry or economic trends or a significant decline in the base stock price of public competitors for a sustained period of time.

Although the Company believes goodwill and intangible assets are appropriately stated in the accompanying consolidated financial statements, changes in strategy or market conditions could significantly impact these judgments and require an adjustment to the recorded balance.

Other Assets

Other assets consist primarily of notes and contracts receivable due to the Company.

Asset Retirement Obligations

The Company recognizes a liability for the fair value of required asset retirement obligations ("AROs") when such obligations are incurred. The liability is estimated on a number of assumptions requiring management's judgment, including equipment removal costs, site restoration costs, salvage costs, cost inflation rates and discount rates and is accredited to its projected future value over time. The capitalized asset is depreciated using the convention of depreciation of plant assets. Upon satisfaction of the ARO conditions, any difference between the recorded ARO liability and the actual retirement cost incurred is recognized as an operating gain or loss in the consolidated statement of income and comprehensive income. As of December 31, 2009, and March 31, 2010, the Company had no AROs.

Other Liabilities

Other liabilities consist primarily of deferred revenue related to multi-year operation and maintenance contracts which expire as late as 2031. Other liabilities also include the fair value of derivatives.

Revenue Recognition

The Company derives revenue from energy efficiency and renewable energy products and services. Energy efficiency products and services include the design, engineering, and installation of equipment and other measures to improve the efficiency, and control the operation, of a facility's energy infrastructure. Renewable energy products and services include the construction of small-scale plants that produce electricity, gas, heat or cooling from renewable sources of energy, the sale of such electricity, gas, heat or cooling from plants that the Company owns, and the sale and installation of solar energy products and systems.

Revenue from the installation or construction of projects is recognized on a percentage-of-completion basis. The percentage-of-completion for each project is determined on an actual cost-to-estimated final cost basis. Maintenance revenue is recognized as related services are performed. In accordance with industry practice, the Company includes in current assets and liabilities, amounts related to construction projects realizable and payable over a period in excess of one year. The Company recognizes revenue associated with change orders only when the authorization for the change order has been properly executed and the work has been performed and accepted by the customer.

When the estimate on a contract indicates a loss, or claims against costs incurred reduce the likelihood of recoverability of such costs, the Company records the entire expected loss immediately, regardless of the percentage of completion.

Billings in excess of costs and estimated earnings represents advanced billings on certain construction contracts. Costs and estimated earnings in excess of billings under customer contracts represent certain amounts that were earned and billable but not invoiced at December 31, 2009, and March 31, 2010.

The Company sells certain products and services in bundled arrangements, where multiple products and/or services are involved. The Company divides bundled arrangements into separate deliverables and revenue is allocated to each deliverable based on the relative fair value of all elements. The fair value is determined based on the price of the deliverable sold on a stand-alone basis.

The Company recognizes revenue from the sale and delivery of products, including the output from renewable energy plants, when produced and delivered to the customer, in accordance with specific contract terms, provided that persuasive evidence of an arrangement exists, the Company's price to the customer is fixed or determinable and collectibility is reasonably assured.

The Company recognizes revenue from O&M contracts and consulting services as the related services are performed.

For a limited number of contracts, under which the Company receives additional revenue based on a share of energy savings, such additional revenue is recognized as energy savings are generated.

Direct Expenses

Direct expenses include the cost of labor, materials, equipment, subcontracting and outside engineering that are required for the development and installation of projects, as well as preconstruction costs, sales incentives, associated travel, inventory obsolescence charges and, if applicable, costs of procuring financing. A majority of the Company's contracts have fixed price terms; however, in some cases the Company negotiates protections, such as a cost-plus structure, to mitigate the risk of rising prices for materials, services and equipment.

Direct expenses also include the costs of maintaining and operating the small-scale renewable energy plants that the Company owns, including the cost of fuel (if any) and depreciation charges.

Income Taxes

The Company provides for income taxes based on the liability method. The Company provides for deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities calculated using the enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return.

The Company accounts for uncertain tax positions using a "more-likely-than-not" threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors that include, but are not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. The Company evaluates uncertain tax positions on a quarterly basis and adjusts the level of the liability to reflect any subsequent changes in the relevant facts surrounding the uncertain positions.

The Company's liabilities for uncertain tax positions can be relieved only if the contingency becomes legally extinguished through either payment to the taxing authority or the expiration of the statute of limitations, the recognition of the benefits associated with the position meet the "more-likely-than-not" threshold or the liability becomes effectively settled through the examination process.

The Company considers matters to be effectively settled once the taxing authority has completed all of its required or expected examination procedures, including all appeals and administrative reviews; the Company has no plans to appeal or litigate any aspect of the tax position; and the Company believes that it is highly unlikely that the taxing authority would examine or re-examine the related tax position. The Company also accrues for potential interest and penalties, related to unrecognized tax benefits in income tax expense.

Foreign Currency Translation

The local currency of the Company's foreign operations is considered the functional currency of such operations. All assets and liabilities of the Company's foreign operations are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates prevailing during the year. Translation adjustments are accumulated as a separate component of stockholders' equity. Foreign currency translation gains and losses are reported in the consolidated statements of income and comprehensive income.

Financial Instruments

Financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, long-term contract receivables, accounts payable, long-term debt and interest rate swaps. The estimated fair value of cash and cash equivalents, restricted cash, accounts receivable, long-term contract receivables and accounts payable approximates their carrying value. See below for fair value measurements of long-term debt. See Note 9 for fair value of interest rate swaps.

Stock-Based Compensation Expense

Stock-based compensation expense results from the issuances of shares of restricted common stock and grants of stock options and warrants to employees, directors, outside consultants and others. The Company recognizes the costs associated with restricted stock, option and warrant grants using the fair value recognition provisions of ASC 718, *Compensation — Stock Compensation* (formerly SFAS No. 123(R), *Share-Based Payment*) on a straight-line basis over the vesting period of the awards.

Stock-based compensation expense is recognized based on the grant-date fair value. The Company estimates the fair value of the stock-based awards, including stock options, using the Black-Scholes option-pricing model. Determining the fair value of stock-based awards requires the use of highly subjective assumptions, including the fair value of the common stock underlying the award, the expected term of the award and expected stock price volatility.

The assumptions used in determining the fair value of stock-based awards represent management's estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors change, and different assumptions are employed, the stock-based compensation could be materially different in the future. The risk-free interest rates are based on the U.S. Treasury yield curve in effect at the time of grant, with maturities approximating the expected life of the stock options.

The Company has no history of paying dividends. Additionally, as of each of the grant dates, there was no expectation to pay dividends over the expected life of the options. The expected life of the awards is estimated using historical data and management's expectations. Because there was no public market for the Company's common stock prior to this offering, management lacked company-specific historical and implied volatility information. Therefore, estimates of expected stock volatility were based on that of publicly-traded peer companies, and it is expected that the Company will continue to use this methodology until such time as there is adequate historical data regarding the volatility of the Company's publicly-traded stock price.

The Company is required to recognize compensation expense for only the portion of options that are expected to vest. Actual historical forfeiture rate of options is based on employee terminations and the number of shares forfeited. This data and other qualitative factors are considered by the Company in determining to use a 25% forfeiture rate in recognizing stock compensation expense. If the actual forfeiture rate varies from historical rates and estimates, additional adjustments to compensation expense may be required in future periods. If there are any modifications or cancellations of the underlying unvested securities or the terms of the stock option, it may be necessary to accelerate, increase or cancel any remaining unamortized stock-based compensation expense.

The Company also accounts for equity instruments issued to non-employee directors and consultants at fair value. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the date on which the counterparty's performance is complete. No awards to individuals who were not either an employee or director of the Company occurred during the year ended December 31, 2009, or the quarterly period ended March 31, 2010.

Fair Value Measurements

On January 1, 2007, the Company adopted the guidance for fair value measurements. The guidance defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. In addition, in 2009, the Company adopted fair value measurements for all of its non-financial assets and non-financial liabilities, except for those recognized at fair value in the financial statements at least annually. These assets include goodwill and long-lived assets measured at fair value for impairment assessments, and non-financial assets and liabilities initially measured at fair value in a business combination. The Company's adoption of this guidance did not have a material impact on its consolidated financial statements.

The Company's financial instruments include cash and cash equivalents, accounts and notes receivable, interest rate swaps, accounts payable, accrued expenses, equity based liabilities and short and long-term borrowings. Because of their short maturity, the carrying amounts of cash and cash equivalents, accounts and notes receivable, accounts payable, accrued expenses and short-term borrowings approximate fair value.

The carrying value of long-term variable-rate debt approximates fair value. As of March 31, 2010, the carrying value of the Company's fixed-rate long-term debt exceeds its fair value by approximately $741,000. This is based on quoted market prices or on rates available to the Company for debt with similar terms and maturities.

The Company accounts for its interest rate swaps as derivative financial instruments in accordance with the related guidance. Under this guidance, derivatives are carried on the consolidated balance sheets at fair value. The fair value of the Company's interest rate swaps are determined based on observable market data in combination with expected cash flows for each instrument.

Derivative Financial Instruments

Effective January 1, 2009, the Company adopted new guidance which expands the disclosure requirements for derivative instruments and hedging activities.

In the normal course of business, the Company utilizes derivatives contracts as part of its risk management strategy to manage exposure to market fluctuations in interest rates. These instruments are subject to various credit and market risks. Controls and monitoring procedures for these instruments have been established and are routinely reevaluated. Credit risk represents the potential loss that may occur because a party to a transaction fails to perform according to the terms of the contract. The measure of credit exposure is the replacement cost of contracts with a positive fair value. The Company seeks to manage credit risk by entering into financial instrument transactions only through counterparties that the Company believes to be creditworthy.

Market risk represents the potential loss due to the decrease in the value of a financial instrument caused primarily by changes in interest rates. The Company seeks to manage market risk by establishing and monitoring limits on the types and degree of risk that may be undertaken. As a matter of policy, the Company does not use derivatives for speculative purposes. The Company considers the use of derivatives with all financing transactions to mitigate risk.

A portion of the Company's project financing includes two projects that utilize an interest rate swap instrument. During 2007, the Company entered into two fifteen-year interest rate swap contracts under which the Company agreed to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to in turn receive an amount equal to a specified variable rate of interest times the same notional principal amount.

The Company did not apply hedge accounting based upon the criteria established by the related guidance as the Company did not designate its derivatives as cash flow hedges. The Company recognizes all derivatives in the consolidated balance sheets and statements of income and comprehensive income at fair value. Cash flows from derivative instruments are reported as operating activities on the consolidated statements of cash flows.

During the three months ended March 31, 2010, the Company entered into a fourteen-year interest rate swap contract under which the Company agreed to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to in turn receive an amount equal to a specified variable rate of interest times the same notional principal amount. The swap covers a notional amount of $27.9 million variable rate note, at a fixed interest rate of 6.99%, and expires in December 2024. In accordance with accounting standards, the swap has been designated as a cash flow hedge and has met the requirements to be accounted for under the short-cut method, resulting in no ineffectiveness in the hedging relationship. Accordingly, the Company recognizes the fair value of the swap in its condensed consolidated balance sheets and any changes in the fair value are recorded as adjustments to other comprehensive income (loss).

With respect to the Company's interest rate swaps, the Company recorded the unrealized gain (loss) in earnings during the periods ended March 31, 2009 and 2010, of approximately $682,367 and $(133,591), respectively, as other income (expenses) in the consolidated statements of income and comprehensive income.

Earnings Per Share

Basic earnings per share is calculated using the Company's weighted-average outstanding common shares, including vested restricted shares. When the effects are not anti-dilutive, diluted earnings per share is calculated using the weighted-average outstanding common shares and the dilutive effect of preferred stock, warrants and stock options as determined under the treasury stock method.

	Period Ended March 31,	
	2009	2010
Basic and diluted net income	$ 417,909	$ 1,277,678
Basic weighted-average shares outstanding	9,621,351	13,282,284
Effect of dilutive securities:		
Preferred stock	19,260,000	19,260,000
Stock options	4,075,499	4,045,395
Warrants	333	168
Diluted weighted-average shares outstanding	32,957,183	36,587,847

Recent Accounting Pronouncements

In 2009, the FASB issued an accounting pronouncement establishing the ASC as the source of authoritative accounting principles recognized by the FASB to be applied by non-governmental entities. This pronouncement was effective for financial statements issued for interim and annual periods ending after September 15, 2009, for most entities. On the effective date, all non-SEC accounting and reporting standards were superseded. The Company adopted this new accounting pronouncement during 2009, and it did not have a material impact on the Company's consolidated financial statements.

In May 2009, the FASB issued guidance on subsequent events, which sets forth general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted the guidance during 2009, and it did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued guidance on improving disclosures about fair value measurements. This guidance has new requirements for disclosures related to recurring or nonrecurring fair-value measurements including significant transfers into and out of Level 1 and Level 2 fair-value measurements and information on purchases, sales, issuances and settlements in a rollforward reconciliation of Level 3 fair-value measurements. This guidance is effective for the first reporting period beginning after December 15, 2009, and, as a result, it was effective for the Company beginning January 1, 2010. The Level 3 reconciliation disclosures are effective for fiscal years beginning after December 15, 2010, which will be effective for the Company for the year ending December 31, 2011. The Company does not expect its adoption of the guidance to have a material impact on its consolidated financial statements.

In September 2009, the FASB issued guidance related to revenue arrangements with multiple deliverables as codified in ASC 605, *Revenue Recognition* ("ASC 605"). ASC 605 provides greater ability to separate and allocate arrangement consideration in a multiple element revenue arrangement. In addition, ASC 605 requires the use of estimated selling price to allocate arrangement considerations, therefore eliminating the use of the residual method of accounting. ASC 605 will be effective for fiscal years beginning after June 15, 2010, and may be applied retrospectively or prospectively for new or materially modified arrangements. Earlier application is permitted. The Company does not expect its adoption of this guidance will have a material effect on its consolidated financial statements.

3. INCOME TAXES

The provision for income taxes was approximately $225,000 and $429,000, for the quarters ended March 31, 2009 and 2010, respectively. The effective tax rate changed to 25.18% for the quarter ended March 31, 2010, from 34.99% in the quarter ended March 31, 2009. The rate variance between the periods is due mainly to the Company's change in its permanent items from 2009 to 2010. The overall rates vary from the statutory rate due to the benefit of certain energy efficiency preferences the Company generates during the year.

4. STOCK INCENTIVE PLAN

On October 27, 2000, the Company's Board of Directors approved the Company's 2000 Stock Incentive Plan (the "Plan") and authorized the Company to reserve 12,000,000 shares of common stock for issuance under the Plan. On August 7, 2001, and April 25, 2002, the Company's Board of Directors authorized the Company to reserve an additional 4,000,000 shares of common stock for issuance under the Plan, bringing the total number of shares of common stock reserved under the Plan to 16,000,000. On June 1, 2003, and October 25, 2006, the Company's Board of Directors authorized the Company to reserve an additional 4,500,000 shares of common stock for issuance under the Plan, bringing the total number of shares of common stock reserved under the Plan to 20,500,000.

The Plan provides for the issuance of restricted stock grants, incentive stock options and nonqualified stock options. On July 22, 2009, the Company's Board of Directors authorized the Company to reserve an additional 8,000,000 shares of common stock for issuance under the Plan, bringing the total number of shares of common stock reserved under the Plan to 28,500,000.

Grants of Restricted Shares

On October 25, 2006, the Company issued 2,000,000 shares of restricted stock to the Company's principal and controlling shareholder under the 2000 Stock Incentive Plan as consideration for providing an indemnification to the Company's surety provider (see Note 7). The shares vested entirely upon the date three years from the date of grant. The stock was issued when the fair value was estimated to be $3.41 per share. The Company recorded an expense during the quarter ended March 31, 2009 of $526,600 related to this award. On October 25, 2009, these shares vested.

Stock Option Grants

The Company has also granted stock options to certain employees and directors under the Plan. At March 31, 2010, 8,492,600 shares were available for grant under the Plan. The following table summarizes the activity under the Plan as of March 31, 2010:

	Number of Options	Weighted-Average Exercise Price
Outstanding at December 31, 2009	9,450,200	2.68
Granted	—	—
Exercised	—	—
Forfeited	(47,000)	(3.43)
Outstanding at March 31, 2010	9,403,200	$ 2.805
Options exercisable at March 31, 2010	7,189,650	$ 2.190
Expected to vest at March 31, 2010	1,723,156	$ 4.765
Options exercisable at December 31, 2009	7,033,550	$ 2.145

The weighted-average remaining contractual life of options expected to vest at March 31, 2010 was 4.54 years. No options were exercised during the three months ended March 31, 2010.

The following table summarizes information about stock options outstanding at March 31, 2010:

	Outstanding Options			Exercisable Options	
Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$ 0.45	416,000	0.85	$ 0.45	416,000	$ 0.45
0.75	480,000	1.72	0.75	480,000	0.75
0.875	1,778,200	2.31	0.875	1,778,200	0.875
1.50	50,000	2.83	1.50	50,000	1.50
1.75	410,000	3.29	1.75	410,000	1.75
1.875	200,000	3.49	1.875	200,000	1.875
2.75	1,517,000	4.28	2.75	1,517,000	2.75
3.00	60,000	4.83	3.00	60,000	3.00
3.25	1,379,000	3.47	3.25	1,096,800	3.25
3.41	1,083,000	3.29	3.41	655,250	3.41
4.22	964,000	3.96	4.22	455,100	4.22
6.055	1,066,000	5.68	6.055	71,300	6.055
	9,403,200			7,189,650	

Under the terms of the Plan, all options expire if not exercised within ten years after the grant date. The options generally vest over five years at a rate of 20% after the first year, and at a rate of 5% every three months beginning one year after the grant date. If the employee ceases to be employed by the Company for any reason before vested options have been exercised, the employee has 90 days to exercise vested options or they are forfeited.

AMERESCO, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — (Continued)

The Company uses the Black-Scholes option pricing model to determine the weighted-average fair value of options granted. The Company will recognize the compensation cost of stock-based awards on a straight-line basis over the vesting period of the award.

The determination of the fair value of stock-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company granted no stock options during the three months ended March 31, 2010. The following table sets forth the significant assumptions used in the model during 2009:

	Year Ended December 31, 2009
Future dividends	$ —
Risk-free interest rate	2.00-2.94%
Expected volatility	57%-59%
Expected life	6.5 years

The Company will continue to use judgment in evaluating the expected term, volatility and forfeiture rate related to the stock-based compensation on a prospective basis, and incorporating these factors into the Black-Scholes pricing model. Higher volatility and longer expected lives result in an increase to stock-based compensation expense determined at the date of grant. In addition, any changes in the estimated forfeiture rate can have a significant effect on reported stock-based compensation expense, as the cumulative effect of adjusting the rate for all expense amortization is recognized in the period that the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in the accompanying consolidated financial statements. If a revised forfeiture rate is lower than the previously estimated rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in the accompanying consolidated financial statements. These expenses will affect the direct expenses, salaries and benefits and project development costs expenses.

For the periods ended March 31, 2009 and 2010, the Company recorded stock-based compensation expense of approximately $90,000 and $439,086, respectively, in connection with stock-based payment awards. The compensation expense is allocated between direct expenses, salaries and benefits and project development costs in the accompanying consolidated statements of income and comprehensive income based on the salaries and work assignments of the employees holding the options. As of March 31, 2010, there was approximately $6,349,931 of unrecognized compensation expense related to non-vested stock option awards that is expected to be recognized over a weighted-average period of 3.83 years.

5. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

In the ordinary course of business, the Company may be involved in a variety of legal proceedings.

In 2009, a lawsuit was filed against the Company. In the lawsuit, the plaintiff alleged that the Company caused action for damages by soliciting and hiring the plaintiff's employees. The Company and the plaintiff settled the lawsuit by the Company paying $1.8 million to the plaintiff and in exchange both parties agreed to dismiss the lawsuit and reciprocally release and discharge each other from all claims stated or which could have been stated in the action against each other. The settlement was not construed as an admission of any wrongdoing, but rather was an economic decision to settle and compromise disputed claims. The settlement was recorded in the second quarter of 2009 in general, administrative and other expenses in the accompanying consolidated statements of income and comprehensive income.

On February 27, 2009, the Company received notice of a default termination from a customer for which the Company was performing construction services. The dispute involves the customer's assertion of its understanding of the contractual scope of work involved and with the completion date of the project. The Company disputes the customer's assertion as it believes that the basis of the default arose from a delay due to the discovery of and need for remediation of previously undiscovered hazardous materials not identified by the customer during contract negotiations. In February 2010, the Company filed a motion for summary judgment as to a portion of the complaint. In March 2010, the customer filed its response. Discovery is currently ongoing and no date has been set for a hearing on the Company's motion. The Company did not record an additional accrual for this matter beyond the adjustments made to the Company's expected profit on this contract because the Company believes that the likelihood is remote that any additional liability would be incurred related to this matter. Based on the contract termination notice, the Company has adjusted its expected contract revenue and profit until such time as this contingency is resolved. The Company had claims of approximately $3.0 million outstanding with the customer as of March 31, 2010. As of March 31, 2010, the Company has not recognized any revenue or profit associated with these claims.

6. GEOGRAPHIC INFORMATION

The Company attributes revenue to customers based on the location of the customer. The composition of the Company's assets at March 31, 2010 and December 31, 2009, and revenue from sales to unaffiliated customers for the periods ended March 31, 2010 and 2009, between those in the United States and those in other locations, is as follows:

	December 31, 2009	March 31, 2010
Assets:		
United States	$ 322,599,256	$ 327,502,566
Canada	52,945,352	52,912,776
	$ 375,544,608	$ 380,415,342
Revenue:		
United States	$ 59,524,733	$ 86,912,684
Canada	12,980,153	18,569,416
Other	882,195	146,486
	$ 73,387,081	$ 105,628,586

7. RELATED PARTY TRANSACTIONS

The Company's principal and controlling shareholder provides a limited personal indemnification to the surety companies that provide performance and payment bonds and other surety products to the Company. In 2006, the Company issued 2,000,000 shares of restricted stock to the Company's principal and controlling shareholder under the 2000 Stock Incentive Plan (see Note 4) as compensation for providing the personal indemnification. In 2009, the Company issued 600,000 stock options to the principal and controlling shareholder under the 2000 Stock Incentive Plan as compensation for providing the personal indemnification.

8. OTHER INCOME (EXPENSES), NET

Other income (expenses), net, consisted of the following items for the periods ended March 31, 2009 and 2010:

	2009	2010
Unrealized gain (loss) from derivatives	$ 682,367	$ (133,591)
Interest expense, net of interest income	(641,606)	(651,748)
Amortization of deferred financing costs	(65,202)	(70,350)
	$ (24,441)	$ (855,689)

9. FAIR VALUE MEASUREMENT

On January 1, 2008, the Company adopted new guidance for its financial assets and liabilities recognized at fair value on a recurring basis (at least annually). The guidance defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also describes three levels of inputs that may be used to measure fair value:

Level 1: Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2: Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following table presents the input level used to determine the fair values of the Company's financial instruments measured at fair value on a recurring basis as of March 31, 2010 and December 31, 2009:

		Fair Value as of	
	Level	March 31, 2010	December 31, 2009
Liabilities:			
Interest rate swap instruments	2	$ 2,567,480	$ 1,933,535
Total liabilities	2	$ 2,567,480	$ 1,933,535

The fair value of the Company's interest rate swaps was determined using cash flow analysis on the expected cash flow of the contract in combination with observable market-based inputs, including interest rate curves and implied volatilities. As a part of this valuation, the Company considered the credit ratings of the counterparties to the interest rate swaps to determine if a credit risk adjustment was required.

The Company is also required periodically to measure certain other assets at fair value on a nonrecurring basis, including long-lived assets, goodwill and other intangible assets. The Company determined the fair value used in the impairment analysis with its own discounted cash flow analysis. The Company has determined the inputs used in such analysis as Level 3 inputs. The Company did not record any impairment charges on goodwill or other intangible assets as no significant events requiring non-financial assets and liabilities to be measured at fair value occurred during the period ended March 31, 2010, or for the year ended December 31, 2009.

10. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

At December 31, 2009, and March 31, 2010, the following table presents information about the fair value amounts of the Company's derivative instruments:

	Liability Derivatives as of			
	December 31, 2009		March 31, 2010	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments:				
Interest rate swap contracts	Other liabilities	$ 1,933,535	Other liabilities	$ 2,067,126
Derivatives designated as hedging instruments:				
Interest rate swap contract	Other liabilities	$ —	Other liabilities	$ 500,354

The following tables present information about the effect of the Company's derivative instruments on accumulated other comprehensive income and the consolidated statements of income and comprehensive income.

	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative for the Periods Ended March 31, are as follows: 2009	2010
Derivatives Not Designated as Hedging Instruments			
Interest rate swap contracts	Interest income (expense)	$ 682,367	$ (133,591)

	As of March 31, 2010	
	Gain (Loss) Recognized in Accumulated Other Comprehensive Income	Gain (Loss) Reclassified from Accumulated Other Comprehensive Income
Derivatives designated as hedging instruments:		
Interest rate swap contract	$ (500,034)	$ (53,947)

AMERESCO, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — (Continued)

11. SUBSEQUENT EVENTS

In April 2010, the Company granted options to purchase 836,000 shares of common stock under the 2000 Stock Incentive Plan (see Note 4). The options were granted at an exercise price of $13.045 per share. During April 2010, a total of 450,000 shares were issued upon the exercise of options under the 2000 Stock Incentive Plan at an average price of $0.735 per share in April 2010. Total proceeds received were $330,000.

The Company has evaluated subsequent events through the date of this filing.

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Through and including (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Shares

AMERESCO

Class A Common Stock

PROSPECTUS

BofA Merrill Lynch

RBC Capital Markets

Oppenheimer & Co.

Canaccord Genuity

Cantor Fitzgerald & Co.

Stephens Inc.

, 2010

Part II

Information Not Required in Prospectus

Item 13. ***Other Expenses of Issuance and Distribution***

The following table indicates the expenses to be incurred in connection with the offering described in this Registration Statement, other than underwriting discounts and commissions, all of which will be paid by Ameresco. All amounts are estimated except the Securities and Exchange Commission registration fee and the FINRA filing fee.

	Amount
Securities and Exchange Commission registration fee	$ 8,913
Financial Industry Regulatory Authority fee	13,000
NYSE listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total Expenses	$ *

* To be filed by amendment.

Item 14. ***Indemnification of Directors and Officers***

Section 102 of the General Corporation Law of the State of Delaware permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our restated certificate of incorporation that will become effective upon the closing of this offering provides that no director of Ameresco shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as director, notwithstanding any provision of law imposing such liability, except to the extent that the Delaware General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our restated certificate of incorporation provides that we will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of Ameresco) by reason of the fact that he or she is or was, or has agreed to become, a director or officer of Ameresco, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an Indemnitee), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our restated certificate of incorporation provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of Ameresco to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer of Ameresco, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee or, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of Ameresco, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We have entered into indemnification agreements with each of our directors. These indemnification agreements may require us, among other things, to indemnify our directors for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director in any action or proceeding arising out of his service as one of our directors, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of our Class A common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us with the meaning of the Securities Act of 1933, as amended, against certain liabilities.

Item 15. ***Recent Sales of Unregistered Securities***

Set forth below is information regarding securities sold by us within the past three years. Also included is the consideration received by us for such sales and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

Between January 1, 2007 and December 31, 2007, we granted options to purchase an aggregate of 1,407,000 shares of our Class A common stock with exercise prices ranging from $3.41 to $4.22 per share, pursuant to our 2000 stock plan. Between January 1, 2007 and December 31, 2007, we issued an aggregate of 152,000 shares of our Class A common stock upon exercise of options for aggregate consideration of $74,015.

Between January 1, 2008 and December 31, 2008, we granted options to purchase an aggregate of 303,000 shares of our Class A common stock, with exercise prices ranging from $4.22 to $6.055 per share, pursuant to our 2000 stock plan. Between January 1, 2008 and December 31, 2008, we issued an aggregate of 28,000 shares of our Class A common stock upon exercise of options for aggregate consideration of $67,250.

Between January 1, 2009 and December 31, 2009, we granted options to purchase an aggregate of 862,000 shares of our Class A common stock, with exercise prices ranging from $6.055 to $11.00 per share, pursuant to our 2000 stock plan. Between January 1, 2009 and December 31, 2009, we issued an aggregate of 1,738,000 shares of our Class A common stock upon exercise of options for aggregate consideration of $874,760.

Between January 1, 2010 and May 15, 2010, we have granted options to purchase an aggregate of 836,000 shares of our Class A common stock, each with an exercise price of $13.045 per share, pursuant to our 2000 stock plan. Between January 1, 2010 and May 15, 2010, we issued 522,100 shares of our Class A Common stock upon exercise of options for aggregate consideration of $407,245.

The options and shares of our common stock described in this Item 15 were issued pursuant to written compensatory plans or arrangements with our employees, directors and consultants in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 701 promulgated under the Securities Act or, in some cases, in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder as sales by an issuer not involving any public offering.

No underwriters were involved in the foregoing issuances of securities. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. All certificates representing the issued shares of common stock described in this Item 15 included appropriate legends setting forth that the securities had not been registered and the applicable restrictions on transfer.

Item 16. ***Exhibits***

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated by reference herein.

Item 17. ***Undertakings***

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of the registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 3 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Framingham, Commonwealth of Massachusetts, on the 28th day of May, 2010.

AMERESCO, INC.

By: /s/ George P. Sakellaris
George P. Sakellaris
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 3 to Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ George P. Sakellaris George P. Sakellaris	Chairman of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	May 28, 2010
/s/ Andrew B. Spence Andrew B. Spence	Chief Financial Officer (Principal Financial and Accounting Officer)	May 28, 2010
* David J. Anderson	Director	May 28, 2010
/s/ David J. Corrsin David J. Corrsin	Director	May 28, 2010
* William M. Bulger	Director	May 28, 2010
* Michael E. Jesanis	Director	May 28, 2010
* Guy W. Nichols	Director	May 28, 2010
* Joseph W. Sutton	Director	May 28, 2010

* By: /s/ David J. Corrsin
David J. Corrsin
Attorney-in-Fact

EXHIBIT INDEX

Exhibit Number	Description
1.1**	Form of Underwriting Agreement
3.1**	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be filed and effective prior to the closing of the offering
3.2**	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be filed promptly following the closing of the offering
3.3**	Form of Amended and Restated By-Laws of the Registrant, to be effective prior to the closing of the offering
4.1**	Specimen Certificate evidencing shares of Class A common stock
5.1**	Opinion of Wilmer Cutler Pickering Hale and Dorr LLP
10.1*	Lease dated November 20, 2000 between Ameresco, Inc. and BCIA New England Holdings, LLC
10.2*	First Amendment to Lease dated November 2001 by and between Ameresco, Inc. and BCIA New England Holdings, LLC
10.3*	Second Amendment to Lease and Extension Agreement dated April 8, 2005 by and between Ameresco, Inc. and BCIA New England Holdings, LLC
10.4*	Third Amendment to Lease dated April 17, 2007 by and between RREEF America REIT III-Z1 LLC and Ameresco, Inc.
10.5	Amended and Restated Credit and Security Agreement dated June 10, 2008 among Ameresco, Inc., certain guarantors party thereto, certain lenders party thereto from time to time and Bank of America, N.A. as Administrative Agent
10.6*	Ameresco, Inc. 2000 Stock Incentive Plan
10.7*	Form of Incentive Stock Option Agreement granted under Ameresco, Inc. 2000 Stock Incentive Plan
10.8*	Form of Non-Qualified Stock Option Agreement granted under Ameresco, Inc. 2000 Stock Incentive Plan
10.9*	Form of Restricted Stock Agreement granted under Ameresco, Inc. 2000 Stock Incentive Plan
10.10**	Ameresco, Inc. 2010 Stock Incentive Plan
10.11**	Form of Incentive Stock Option Agreement granted under Ameresco, Inc. 2010 Stock Incentive Plan
10.12**	Form of Non-Qualified Stock Option Agreement granted under Ameresco, Inc. 2010 Stock Incentive Plan
10.13**	Form of Restricted Stock Agreement granted under Ameresco, Inc. 2010 Stock Incentive Plan
10.14*	Stockholder Agreement dated as of September 25, 2008 by and among the Registrant, Samuel T. Byrne, AMCAP Holdings, Ltd., George P. Sakellaris and such other persons who from time to time become party thereto
10.15**	Form of Indemnification Agreement entered into between the Registrant and each director
10.16*+	Revised Final Proposal, DOE Savannah River Site, Biomass Cogeneration Facility and K and L Area Heating Plants, submitted by Ameresco Federal Solutions, under DOE Contract No. DE-AM36-02NT41457, May 11, 2009
10.17	Fourth Amendment to Lease dated January 1, 2010 by and between RREEF America REIT III-Z1 LLC and Ameresco, Inc.
21.1	Subsidiaries of the Registrant
23.1	Consent of Caturano and Company, P.C.
23.2**	Consent of Wilmer Cutler Pickering Hale and Dorr LLP (included in Exhibit 5.1)
23.3*	Consent of Frost & Sullivan
24.1*	Powers of Attorney of David J. Anderson, William M. Bulger, Guy W. Nichols and Joseph W. Sutton (included on signature page)
24.2*	Power of Attorney of Michael E. Jesanis

* Previously filed

** To be filed by amendment.

\+ Confidential treatment requested as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 10.5

Execution Copy

AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT

dated as of

June 10, 2008

among

AMERESCO, INC.,

as Borrower,

THE GUARANTORS PARTY HERETO,

THE LENDERS FROM TIME TO TIME PARTY HERETO,

and

BANK OF AMERICA, N.A.

as Administrative Agent

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Exhibit J	Form of Assignment and Assumption

AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT dated as of June 10, 2008 (this "Agreement") is by and among AMERESCO, INC., a Delaware corporation, as borrower, THE GUARANTORS PARTY HERETO, THE LENDERS FROM TIME TO TIME PARTY HERETO, and BANK OF AMERICA, N.A., as Administrative Agent.

This Agreement amends and restates that certain Credit and Security Agreement dated as of December 29, 2004, as amended (the "Prior Credit Agreement"), by and among the Borrower, the guarantors party thereto, the lenders party thereto and Bank of America, N.A. (as successor by merger to Fleet National Bank).

The parties hereto agree as follows:

ARTICLE I

Definitions

1.1 **Defined Terms**. As used in this Agreement, the following terms have the meanings specified below:

"Additional Mortgage" has the meaning assigned to such term in Section 7.13(a).

"Additional Mortgaged Property" means any Real Property Asset that is now owned or leased, or hereinafter acquired, by the Credit Parties, which: (i) is of material value as Collateral or of material importance to the operations of the Credit Parties (taken as a whole), and (ii) the Agent determines to acquire a Mortgage on following the Restatement Date.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Agent.

"Advance Request" means a request for a Borrowing satisfying the requirements of Section 2.1(b) and substantially in the form of Exhibit B annexed hereto.

"Affiliate" means, with respect to a specified Person, another Person that Controls or is Controlled by or is under common Control with the Person specified; provided, that, for purposes of this Agreement, no Core Domestic Ameresco Company shall be deemed to be an Affiliate of any other Core Domestic Ameresco Company.

"Agent" means Bank of America, N.A. in its capacity as administrative agent for the Lenders hereunder, together with its successors and assigns in such capacity.

"Aggregate Deficiency" shall have the meaning set forth in Section 2.8(c).

"Ameresco Canada" means Ameresco Canada, Inc., a company organized under the laws of Ontario, Canada.

"Ameresco Huntington Beach" means Ameresco Huntington Beach, LLC, a Delaware limited liability company.

"Ameresco Federal Solutions" means Ameresco Federal Solutions, Inc., a Delaware corporation.

"AmerescoSolutions" means AmerescoSolutions, Inc., a North Carolina corporation.

"Applicable Margin" and "Applicable Unused Fee Rate" means, for any Type of Loans the following percentages per annum:

Applicable Margin Base Rate Loans	(% per annum) LIBOR Loans	Applicable Unused Fee Rate (% per annum)
0.25%	1.75%	0.375%

"Applicable Percentage" means when referenced with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment.

"Applicable Recipient" has the meaning assigned to such term in Section 2.8(d).

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.4), and accepted by the Agent, in the form of Exhibit J annexed hereto or any other form approved by the Agent which complies with the provisions of Section 11.4.

"AutoBorrow Agreement" means that certain agreement dated as of October 19, 2007 between the Borrower and Bank of America, N.A., a copy of which is attached as Schedule A hereto. For the avoidance of doubt, in the event that Bank of America, N.A. shall cease to be the sole Lender hereunder, the AutoBorrow Agreement shall be deemed to be terminated.

"Bank of America" means Bank of America, N.A. and its successors.

"Bank Product Obligations" means all present and future liabilities, obligations and Indebtedness of the Credit Parties owing to the Agent, any Affiliate of the Agent or any Lender under or in connection with any cash management or related services or products provided by the Agent, any Affiliate of the Agent or any Lender to or for the account of the Credit Parties, including, without limitation, liabilities, obligations or Indebtedness in respect of automated clearing house and other fund transfers, checks, money orders, drafts, instruments, funds, payments and other items and forms of remittances paid, deposited or otherwise credited to any deposit, disbursement or other account of any Credit Party, any overdraft or other extension of credit made to cover any funds transfer, check, draft, instrument or amount paid for the account or benefit of any Credit Party, and all fees, charges, indemnities, expenses and other amounts from time to time owing to the Agent, any Affiliate of the Agent or any Lender in connection therewith (all whether accruing before or after the commencement of any bankruptcy proceeding by or against any Credit Party and regardless of whether allowed as a claim in any such proceeding).

"Base Rate" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Effective Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Ameresco, Inc., a Delaware corporation.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of LIBOR Loans, as to which a single Interest Period is in effect.

"Boston Capital" means Boston Capital Institutional Advisor, certain Affiliates thereof and investors therein.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Boston, Massachusetts are authorized or required by law to remain closed; provided that, when used in connection with a LIBOR Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in U.S. dollar deposits in the London interbank market.

"Canadian Subsidiaries" means each of Ameresco Canada, Ameresco Quebec, Inc. and any other subsidiary of the Borrower organized under the laws of Canada or any jurisdiction within Canada other than Non-Core Energy Subsidiaries.

"Capital Expenditures" means, for any period, the sum for the Core Ameresco Companies (determined on a consolidated basis without duplication in accordance with GAAP) of the aggregate amount of cash payments in respect of expenditures made during such period to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs) computed in accordance with GAAP; provided that such term shall not include any such expenditures in connection with any replacement or repair of Property affected by a Casualty Event.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Flow" means for any fiscal period, (a) EBITDA of the Core Ameresco Companies for such period minus (b) the sum of the following for the Core Ameresco Companies of (i) Capital Expenditures made during such fiscal period, (ii) the aggregate amount paid in cash in respect of income, franchise, real estate and other like taxes during such fiscal period, and (iii) dividends, withdrawals and other distributions paid in cash by the Core Ameresco Companies during such fiscal period.

"Casualty Event" means, with respect to any Property of any Person, any loss of or damage to, or any condemnation or other taking of, such Property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"Change in Law" means (a) the adoption of any law, rule or regulation after the Restatement Date, (b) any change after the Restatement Date in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender or the Issuing Lender (or, for purposes of subsection 2.11(b), by any lending office of such Lender or by such Lender's or the Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law), other than a request or directive to comply with any law, rule or regulation in effect on the Restatement Date, of any Governmental Authority made or issued after the Restatement Date.

“Change of Control” means the occurrence of any of the following: (a) any Person (or group of Persons acting in concert) other than the Sakellaris Group or Boston Capital shall acquire or own more than 10% of the outstanding capital stock of the Borrower; or (b) the failure of the Borrower to own, directly or indirectly through one or more Subsidiaries, 100% of the outstanding capital stock of each of the other Credit Parties; or (c) the failure of the Borrower to own, directly or indirectly through one or more Subsidiaries, at least 90% of the outstanding capital stock of each of the Canadian Subsidiaries; or (d) the sale of all or substantially all of the business or assets of any Credit Party or Canadian Subsidiary; or (e) George Sakellaris shall for any reason cease to serve in his present capacity as Chief Executive Officer of the Borrower and the Borrower shall fail within one hundred twenty (120) days of the date that Mr. Sakellaris ceases to serve in such capacity, to retain a replacement for Mr. Sakellaris who is reasonably acceptable to the Agent.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means, collectively, all of the Property in which Liens are purported to be granted hereunder and under the other Loan Documents as security for the Obligations of the Credit Parties hereunder.

“Collateral Documents” means, collectively, the Pledge Agreement and all other agreements, instruments and documents (other than this Agreement) now or hereafter executed and delivered in connection with this Agreement pursuant to which Liens are granted or purported to be granted to the Agent in Collateral securing all or part of the Obligations, each in form and substance reasonably satisfactory to the Agent.

“Commitments” means (a) for all Lenders, the aggregate Revolving Credit Commitments of all Lenders, and (b) for each Lender the aggregate of such Lender’s Revolving Credit Commitment.

“Competitor” means each of Siemens AG, Johnson Controls, Inc., Honeywell International, Inc. and Chevron Corporation and each of their Subsidiaries.

“Compliance Certificate” means a certificate signed by a Designated Financial Officer, in substantially the form of Exhibit D annexed hereto, (a) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (b) setting forth reasonably detailed calculations demonstrating compliance with Section 8.10, (c) setting forth in reasonable detail all adjustments to the consolidated financial statements of the Borrower and its Subsidiaries necessary to reflect the exclusion of all Subsidiaries of the Borrower other than the Core Ameresco Companies from the financial covenant calculations set forth therein, and (d) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate.

“Construction Completion and Cost Overrun Guaranty” means, in connection with any Renewable Energy Project, a guaranty of (i) the completion and operation of such Renewable Energy Project on or prior to the date set forth in such guaranty and (ii) the payment of all construction costs and expenses related to such Renewable Energy Project in excess of the proposed budget for such Renewable Energy Project.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. A Person who owns or holds capital stock, beneficial interests or other securities representing ten percent (10%) or more of the Total Voting Power of another Person shall be deemed, for purposes of this Agreement, to "control" such other Person.

"Control Agreement" means, with respect to any deposit or securities account of any Credit Party, a control agreement, in form and substance reasonably satisfactory to the Agent, executed and delivered by such Credit Party, the financial institution at which such account is maintained and the Agent, as any such agreement may be amended, supplemented or otherwise modified from time to time.

"Controlled Account " has the meaning assigned to such term in Section 4.3(a).

"Copyrights" means all copyrights, whether statutory or common law, owned by or assigned to the Credit Parties, and all exclusive and nonexclusive licenses to the Credit Parties from third parties or rights to use copyrights owned by such third parties, including, without limitation, the registrations, applications and licenses listed on Schedule 5.5 hereto, along with any and all (a) renewals and extensions thereof, (b) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (c) rights to sue for past, present and future infringements thereof, and (d) foreign copyrights and any other rights corresponding thereto throughout the world.

"Core Ameresco Companies" means the Core Domestic Ameresco Companies and the Canadian Subsidiaries.

"Core Domestic Ameresco Companies" means each of the Credit Parties. "Credit Parties" means the Borrower and the Guarantors.

"Debt Service" means, for any period, the sum, for the Core Ameresco Companies (determined on a consolidated basis in accordance with GAAP) of (a) all regularly scheduled principal payments, as such amounts may be adjusted from time to time by reason of any prepayments, of Indebtedness (including the principal component of any payments in respect of Capital Lease Obligations), but excluding any prepayments pursuant to Section 2.9 made during such period and any principal payments in respect of the Revolving Loans made during such period, plus (b) all Interest Expense for such period.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Designated Financial Officer" means an individual holding one or more of the following offices with the Borrower or otherwise having executive responsibilities for financial matters and listed in Schedule 1.4 hereto: chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 5.6.

"Disposition" means any sale, assignment, transfer or other disposition of any property (whether now owned or hereafter acquired) by any Credit Party to any Person other than to another Credit Party excluding (a) the granting of Liens to the Agent and Lenders and other Liens permitted hereunder, (b) any sale, assignment, transfer or other disposition by any Credit Party of the equity interests of any Special Purpose Subsidiary (other than the Hawaii Joint Venture), and (c) any sale, assignment, transfer or other disposition of (i) any property sold or disposed of in the ordinary course of business and on ordinary business terms, (ii) any property no longer used or useful in the business of the Credit Parties and (iii) any Collateral pursuant to an exercise of remedies by the Agent hereunder or under any other Loan Document.

"EBITDA" means, for any period, (a) the net income of the Core Ameresco Companies (determined on a consolidated basis without duplication in accordance with GAAP) for such period, plus (b) to the extent deducted in calculating net income of the Core Ameresco Companies (i) income taxes accrued during such period, (ii) Interest Expense during such period, (iii) depreciation and amortization for such period, (iv) except to the extent paid in cash by the Core Ameresco Companies, loss attributable to equity in Affiliates which are not Subsidiaries for such period, (v) extraordinary or unusual losses during such period (it being understood that any payment required to be made by any Core Ameresco Company in respect of any Renewable Energy Project Guaranty Liability shall reduce net income of the Core Ameresco Companies and shall not be added back to EBITDA as an extraordinary loss), (vi) non-recurring items, fees and expenses associated with the transactions contemplated by this Agreement (provided, that the aggregate amount added back pursuant to this clause (b)(vi) shall not exceed $600,000 after the Effective Time), and (vii) the aggregate amount received in cash by the Core Ameresco Companies during such fiscal period in respect of regularly scheduled dividends or distributions from the Special Purpose Subsidiaries, calculated and paid in accordance with the organizational documents of such Special Purpose Subsidiaries and included as net income of the Core Ameresco Companies under GAAP for such fiscal period (provided, that the amount added back pursuant to this clause (vii) shall not include any amounts received by the Core Ameresco Companies in connection with any sale, transfer or other disposition of assets or equity interests of any Special Purpose Subsidiary); minus (c) to the extent such items were added in calculating net income of the Core Ameresco Companies (i) extraordinary or unusual gains during such period and (ii) proceeds received during such period in respect of Casualty Events, Dispositions and any sale, assignment, transfer or other disposition by any Credit Party of the equity interests of any Special Purpose Subsidiary. For purposes of calculating EBITDA for any period during which a Permitted Acquisition is consummated, EBITDA shall be adjusted in a manner proposed by the Borrower and reasonably satisfactory to the Agent to reflect certain expense deductions in connection with such Permitted Acquisition.

"Effective Time" means the time at which the conditions specified in Section 6.1 are satisfied (or waived in accordance with Section 11.2).

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Sections 11.4(b)(iii), 11.4(b)(v) and 11.4(b)(vi) (subject to consents, if any, as may be required under Section 11.4(b)(iii)).

"Energy Conservation Financing Collateral" means all rights of any Credit Party in and to task orders or contracts which are subject to a security interest in favor of the Energy Conservation Project Financing Agent in connection with any Energy Conservation Project Financing.

"Energy Conservation Projects" means (i) any energy conservation project conducted by any Credit Party pursuant to an Energy Savings Performance Contract between such Credit Party any governmental entity and/or an agency thereof and (ii) any energy conservation project conducted by a Credit Party for a non-governmental entity on terms substantially similar to the projects described in clause (i) of this definition.

“Energy Conservation Project Financing” means the bond financing arrangements or master purchase agreements and assignment schedules or similar financing arrangements entered into by any Credit Party from time to time with the Energy Conservation Project Financing Agent to finance the construction and completion of the Energy Conservation Projects.

“Energy Conservation Project Financing Agent” means the financial institution acting in the capacity of agent or trustee for itself and/or other lenders or bondholders in connection with any Energy Conservation Project Financing.

“Environmental Laws” means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Credit Party directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Rights” means, with respect to any Person, any subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including any stockholders’ or voting trust agreements) for the issuance or sale of, or securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, such Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Credit Parties, is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code. Notwithstanding the foregoing, for purposes of any liability related to a Multiemployer Plan under Title IV of ERISA, the term “ERISA Affiliate” means any trade or business that, together with the Credit Parties, is treated as a single employer within the meaning of Section 4001(b) of ERISA.

“ERISA Event” means (a) a “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder for which the notice requirement has not been waived with respect to any Pension Plan, (b) the existence with respect to any Pension Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan, (d) the incurrence by any Credit Party or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, (e) the receipt by any Credit Party or any ERISA Affiliate from the PBGC or plan administrator of any notice relating to an intention to terminate any Pension Plan or Pension Plans or to appoint a trustee to administer any Pension Plan, or (f) the receipt by any Credit Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Credit Party or any ERISA Affiliate of any notice of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar Rate" means for any Interest Period with respect to a LIBOR Loan, a rate per annum determined by Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{\text{1.00 — Eurodollar Reserve Percentage}}$$

Where,

"Eurodollar Base Rate" means, for such Interest Period the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "Eurodollar Base Rate" for such Interest Period shall be the rate per annum determined by the Agent to be the rate at which deposits in U.S. Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System of the United States for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Event of Default" has the meaning assigned to such term in Section 9.1.

"Excluded Taxes" means, with respect to the Agent, any Lender, the Issuing Lender or any other recipient of any payment to be made by or on account of any Obligation hereunder, (a) income, net worth or franchise taxes imposed on (or measured by) its net income or net worth by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its lending office is located or in which it is taxable solely on account of some connection other than the execution, delivery or performance of this Agreement or the receipt of income hereunder, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement or is attributable to such Foreign Lender's failure or inability to comply with Section 2.12(e), except to the extent that such Foreign Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.12(a).

"Exelon Acquisition Agreement" means the Agreement for Purchase of Membership Interests dated as of June 25, 2004 by and between the Borrower and Exelon Services, Inc. relating to the acquisition by the Borrower on or about June 25, 2004 of 100% of the outstanding membership interests of Solutions Holdings, LLC, a Delaware limited liability company, from Exelon Services, Inc.

"Existing Debt" means (i) Indebtedness of the Credit Parties existing as of the Effective Time which is being repaid in full with the proceeds of the Loans made by the Lenders at the Effective Time and (ii) Indebtedness of the Credit Parties existing as of the Effective Time which is permitted to remain outstanding after the Effective Time under Section 8.1 and is listed on Schedule 8.1 hereto.

"Existing Letters of Credit" shall have the meaning set forth in Section 2.4(a).

"FAC Regulations" shall have the meaning set forth in Section 5.24.

"FCPA" shall have the meaning set forth in Section 5.24.

"Federal Funds Effective Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by Agent.

"Fee Letter" means the letter agreement dated as of June 10, 2008 by and between the Borrower and the Agent, describing certain fees to be paid by the Credit Parties in connection with the credit facility established by this Agreement.

"First Priority" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the most senior Lien (other than Permitted Liens) to which such Collateral is subject.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Office" means with respect to any Lender, an office of such Lender located outside of the United States of America.

"Foreign Subsidiaries" means each Subsidiary of the Borrower organized under the laws of a jurisdiction other than the United States of America.

"Funding Subsidiaries" means each of Ameresco Funding I, LLC, a Delaware limited liability company; Ameresco Funding II, LLC, a Delaware limited liability company; Ameresco Funding III, LLC, a Delaware limited liability company; Ameresco Funding IV, LLC, a Delaware limited liability company; Speen Street Holdings I, LLC, a Delaware limited liability company; Speen Street Holdings II, LLC, a Delaware limited liability company; Speen Street Holdings III, LLC, a Delaware limited liability company; and Speen Street Holdings IV, LLC, a Delaware limited liability company.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" means a guarantee, an endorsement, a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Indebtedness, other obligations, net worth, working capital or earnings of any Person, or a guarantee of the payment of dividends or other distributions upon the stock or equity interests of any Person, or an agreement to purchase, sell or lease (as lessee or lessor) property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of such debtor's obligations or an agreement to assure a creditor against loss, and including, without limitation, causing a bank or other financial institution to issue a letter of credit or other similar instrument for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms "Guarantee" and "Guaranteed" used as a verb shall have a correlative meaning. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligations in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder).

"Guarantors" means, collectively, each Subsidiary of the Borrower party hereto as a guarantor at the Effective Time and each other Person which becomes a guarantor hereunder after the Effective Time.

"Guaranty" means Article 3 of this Agreement.

"Hawaii Joint Venture" means the Investment by Ameresco Hawaii LLC, a Delaware limited liability company, in 99% of the equity interests of Ameresco/ Pacific Energy JV, a Hawaii general partnership for the purpose of engaging in the performance of work and services related to the completion of the Hawaii Project.

"Hawaii Project" means the development, implementation and construction of energy performance measures and/or construction management services for the State of Hawaii or agencies or instrumentalities thereof, including, without limitation, the Housing & Community Development Corporation of Hawaii at one or more properties owned or operated by such entities.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature, in each case regulated or subject to regulation pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Huntington Beach Receivables Financing" means the transaction pursuant to which (i) the Borrower and Ameresco Huntington Beach sold certain accounts receivable to the Funding Subsidiaries and (ii) the Funding Subsidiaries financed their acquisition of such accounts receivable by issuing $12,279,000 principal amount of 4.875% Receivables-Backed Notes, Series Boeing-2004-1 pursuant to that certain Series Boeing-2004-1 Supplemental Indenture dated as of March 17, 2004 to Master Indenture Relating to Boeing Energy Service Projects dated as of March 17, 2004 between Ameresco Funding I, LLC and Wells Fargo Northwest, National Association as trustee.

"Inactive Subsidiaries" means each of the Subsidiaries of the Borrower designated by the Borrower as an inactive subsidiary on Schedule 5.13 attached hereto as of the Effective Time and from time to time after the Effective Time.

"Indebtedness" means, for any Person, without duplication: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, advance, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses and deferred taxes incurred and paid, in the ordinary course of business; (c) Capital Lease Obligations of such Person; (d) obligations of such Person in respect of Hedging Agreements; and (e) obligations of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person. The Indebtedness of any Person shall include, without duplication, the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means all Taxes other than (a) Excluded Taxes and Other Taxes and (b) amounts constituting penalties or interest imposed with respect to Excluded Taxes or Other Taxes.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means, with respect to any Letter of Credit, the LC Application and any other document, agreement and instrument entered into by the Issuing Lender and the Borrower or in favor of the Issuing Lender and relating to such Letter of Credit.

"Intercompany Indebtedness" has the meaning assigned to such term in Section 11.9.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.3.

"Interest Expense" means, for any period, the sum, without duplication, for the Core Ameresco Companies (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness accrued during such period (whether or not actually paid during such period), but excluding capitalized debt acquisition costs (including fees and expenses related to this Agreement) and interest that by its terms is "paid in kind" plus (b) the net amounts payable (or minus the net amounts receivable) in respect of Hedging Agreements accrued during such period (whether or not actually paid or received during such period) excluding reimbursement of legal fees and other similar transaction costs and excluding payments required by reason of the early termination of Hedging Agreements in effect on the date hereof plus (c) all fees, including letter of credit fees and expenses, (but excluding reimbursement of legal fees) incurred hereunder during such period.

"Interest Period" means with respect to any LIBOR Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any

Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing. Notwithstanding the foregoing,

(x) if any Interest Period for any Revolving Credit Borrowing would otherwise end after the Revolving Credit Maturity Date, such Interest Period shall end on the Revolving Credit Maturity Date, and

(y) notwithstanding the foregoing clause (x), no Interest Period shall have a duration of less than one month and, if the Interest Period for any LIBOR Loan would otherwise be a shorter period, such Loan shall not be available hereunder as a LIBOR Loan for such period.

"Investment" means, for any Person: (a) the acquisition (whether for cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership, limited liability company or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business provided that in no event shall the term of any such inventory or supply advance, loan or extension of credit exceed 270 days); or (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, loaned or extended to such Person. Notwithstanding the foregoing, Capital Expenditures shall not be deemed "Investments" for purposes hereof.

"IP Collateral" means, collectively, the Collateral relating to intellectual property rights of the Credit Parties hereunder or under any other Loan Document.

"Issuer Documents" means with respect to any Letter of Credit, the L/C Application and any other document, agreement or instrument entered into by the Issuing Lender and the Borrower (or any Subsidiary) or in favor of the Issuing Lender and relating to such Letter of Credit.

"Issuing Lender" means Bank of America or any other Lender designated by the Agent in its sole discretion, in each case, in its capacity as an issuer of Letters of Credit hereunder.

"Landlord's Waiver and Consent" means, with respect to any Leasehold Property, a letter, certificate or other instrument in writing from the lessor under the related lease, in form approved by the Agent in its sole discretion.

"LC Advance" means, with respect to each Lender, such Lender's funding of its participation in any LC Disbursement in accordance with its Applicable Percentage.

"LC Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Issuing Lender.

"LC Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"LC Deficiency Amount" shall have the meaning set forth in Section 2.8(c).

"LC Disbursement" means a payment made by the Issuing Lender pursuant to a Letter of Credit.

"LC Expiration Date" means the day that is thirty days prior to the Revolving Credit Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Leasehold Property" means any leasehold interest of any Credit Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by the Agent in its sole discretion as not being required to be included in the Collateral and not being of material importance to the business or operations of the Credit Parties.

"Lenders" means the Persons listed on Schedule 2.1 (including, without limitation, the Issuing Lender and the Swing Loan Lender) and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

"Letter of Credit" means any letter of credit issued on a standby basis or in support of trade obligations of the Credit Parties pursuant to this Agreement, including, without limitation, any Existing Letter of Credit.

"LIBOR" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurodollar Rate.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing), other than an operating lease, relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, the Revolving Credit Notes, the Collateral Documents, the Fee Letter, each Issuer Document, the Subordination Agreement and any other instruments or documents delivered or to be delivered from time to time pursuant to this Agreement, as the same may be supplemented and amended from time to time in accordance with their respective terms.

"Loans" means the Revolving Loans and the Swing Loans.

"Material Adverse Effect" means, any event, circumstance, happening or condition, which, in the Agent's discretion, might reasonably be expected to result in a material adverse effect on (a) the business, assets, financial condition of the Credit Parties taken as a whole, (b) the ability of any Credit Party to pay or perform any of its obligations under this Agreement or the other Loan Documents or (c) any of the rights of or benefits available to the Lenders under this Agreement and the other Loan Documents.

"Material Canadian Subsidiary" means any Canadian Subsidiary having assets with a total book value of greater than or equal to 10% of the total book value of all assets of the Core Ameresco Companies on a consolidated basis.

"Material Indebtedness" means Indebtedness (other than the Loans or Letters of Credit), including, without limitation, obligations in respect of one or more Hedging Agreements, in an aggregate principal amount exceeding $1,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of any Person in respect of a Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedging Agreement were terminated at such time.

"Material Leasehold Property" means a Leasehold Property reasonably determined by the Agent to be of material value as Collateral or of material importance to the operations of the Credit Parties (taken as a whole).

"Material Owned Property" means any real property owned by any Credit Party that is reasonably determined by the Agent to be of material value as Collateral or of material importance to the operations of the Credit Parties (taken as a whole) and listed on Schedule 1.1 hereto.

"Material Rental Obligations" means obligations of the Credit Parties to pay rent under any one or more operating leases with respect to any real or personal property that is material to the business of the Credit Parties (taken as a whole).

"Mortgage" means a security instrument (whether designated as a deed of trust or a mortgage, leasehold mortgage, assignment of leases and rents or by any similar title) executed and delivered by any Credit Party in such form as may be approved by the Agent in its sole and reasonable discretion, in each case with such changes thereto as may be recommended by the Agent's local counsel based on local laws or customary local practices, and (b) at the Agent's option, in the case of an Additional Mortgaged Property, an amendment to an existing Mortgage, in form satisfactory to the Agent, adding such Additional Mortgaged Property to the Real Property Assets encumbered by such existing Mortgage, in either cases as such security instrument or amendment may be amended, supplemented or otherwise modified from time to time.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Payments" means,

(a) with respect to any Casualty Event, the aggregate amount of cash proceeds of insurance, condemnation awards and other compensation received by the Credit Parties in respect of such Casualty Event net of (i) reasonable expenses incurred by the Credit Parties in connection therewith and (ii) contractually required repayments of Indebtedness to the extent secured by a Lien on such property and (iii) any income and transfer taxes payable by the Credit Parties in respect of such Casualty Event;

(b) with respect to any Disposition, the aggregate amount of all cash payments received by the Credit Parties directly or indirectly in connection with such Disposition, whether at the time of such Disposition or after such Disposition under deferred payment arrangements or Investments entered into or received in connection with such Disposition, net of (i) the amount of any legal, title, transfer and recording tax expenses, commissions and other fees and expenses payable by the Credit Parties in connection therewith, (ii) any Federal, state and local income or other Taxes estimated to be payable by the Credit Parties as a result thereof, (iii) any repayments by the Credit Parties of Indebtedness to the extent that such Indebtedness is secured by a Lien on the property that is the subject of such Disposition and the transferee of (or holder of a Lien on) such property requires that such Indebtedness be repaid as a condition to the purchase of such property, and (iv) any repayments by the Credit Parties to minority stockholders if and to the extent permitted hereby; and

(c) with respect to any incurrence of Indebtedness, the aggregate amount of all cash proceeds received by the Credit Parties therefrom less all legal, underwriting, registration, marketing, filing and similar fees and expenses incurred in connection therewith.

"Non-Core Energy Project" means (i) any Renewable Energy Project and (ii) any other small scale energy infrastructure project conducted by a Non-Core Energy Subsidiary other than projects of the type conducted by the Core Ameresco Companies as of the Restatement Date.

"Non-Core Energy Project Financing" means a credit facility entered into by one or more Non-Core Energy Subsidiaries to finance the construction of one or more Non-Core Energy Projects.

"Non-Core Energy Subsidiary" means (i) Ameresco Huntington Beach, (ii) any Renewable Energy Subsidiary and (ii) any other direct or indirect subsidiary of the Borrower formed for the purpose of constructing or operating any Non-Core Energy Project.

"Obligations" means (a) the aggregate outstanding principal balance of and all interest on the Loans made by the Lenders to the Borrower (including any interest accruing after the commencement of any proceeding by or against the Borrower under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, and any other interest that would have accrued but for the commencement of such proceeding, whether or not any such interest is allowed as a claim enforceable against the Borrower in any such proceeding), (b) all debts, liabilities, obligations, covenants and duties of the Borrower or any Credit Party with respect to any Loan or Letter of Credit and (c) all Bank Product Obligations and all fees, costs, charges, expenses and other obligations from time to time owing to the Lenders, the Issuing Lender, or the Agent by the Credit Parties hereunder or under any other Loan Document or in respect of any Hedging Agreement, cash management agreement, operating or deposit account or other banking product from time to time made available to the Credit Parties by the Agent, any affiliate of the Agent, the Issuing Lender, or any Lender.

"OFAC Regulations" shall have the meaning set forth in Section 5.23.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement and the other Loan Documents, provided that there shall be excluded from "Other Taxes" all Excluded Taxes.

"Patents" means all patents issued or assigned to and all patent applications made by the Credit Parties and, to the extent that the grant of a security interest does not cause a breach or termination thereof, all exclusive and nonexclusive licenses to the Credit Parties from third parties or rights to use patents owned by such third parties, including, without limitation, the patents, patent applications and licenses listed on Schedule 5.5 hereto, along with any and all (a) inventions and improvements described and claimed therein, (b) reissues, divisions, continuations, extensions and continuations-in-part thereof, (c) income, royalties, damages, claims and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (d) rights to sue for past, present and future infringements thereof, and (e) any other rights corresponding thereto throughout the world.

"Patriot Act" shall have the meaning set forth in Section 11.18.

"Payment Amount" shall have the meaning set forth in Section 2.8(c).

"Pension Plan" means any Plan that is a defined benefit pension plan subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Permitted Acquisitions" shall have the meaning set forth in Section 8.4. "Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard and Poor's Ratings Service or from Moody's Investors Service, Inc.;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $250,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) advances, loans and extensions of credit to any director, officer or employee of the Credit Parties, if the aggregate outstanding amount of all such advances, loans and extensions of credit (excluding travel advances in the ordinary course of business) does not at any time exceed $750,000; and

(f) investments in money market mutual funds that are rated AAA by Standard & Poor's Rating Service.

"Permitted Liens" has the meaning set forth in Section 8.2.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA in which any Credit Party or any ERISA Affiliate is an "employer" as defined in Section 3(5) of ERISA, including, but not limited to, any Pension Plan or Multiemployer Plan.

"Platform" has the meaning set forth in Section 7.1.

"Pledge Agreement" means the Pledge Agreement originally dated as of December 29, 2004 as amended, modified and supplemented from time to time, as amended and restated by that certain Amended and Restated Pledge Agreement in the form of Exhibit E hereto by and between the Credit Parties and the Agent.

"Post-Default Rate" means, a rate per annum equal to the Base Rate plus the Applicable Margin plus two percent (2%).

"Prior Credit Agreement" has the meaning assigned to such term in the introductory paragraph hereto.

"Property" means any interest of any kind in property or assets, whether real, personal or mixed, and whether tangible or intangible.

"Proprietary Rights" has the meaning assigned to such term in Section 5.5(b).

"PTO" means the United States Patent and Trademark Office or any successor or substitute office in which filings are necessary or, in the opinion of the Agent, desirable in order to create or perfect Liens on any IP Collateral.

"Quarterly Date" means the last day of any fiscal quarter of the Credit Parties.

"Real Property Asset" means, at any time of determination, any and all real property owned or leased by the Credit Parties.

"Refunded Swing Loans" has the meaning assigned to such term in Section 2.6. "Register" has the meaning assigned to such term in Section 11.4.

"Registered Proprietary Rights" has the meaning assigned to such term in Section 5.5(c).

"Reimbursement Obligation" has the meaning assigned to such term in Section 2.4(c)(i).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Renewable Energy Project" means a project conducted by a Renewable Energy Subsidiary for (i) the construction and operation of a facility to process methane gas from a landfill site and/ or convert methane gas, sunlight, wind or biomass into useable energy and (ii) the sale of such methane gas and/ or energy produced from methane gas, sunlight, wind or biomass to one or more customers.

"Renewable Energy Project Guaranty" means in connection with any Renewable Energy Project, (a) any Guarantee (other than a Construction Completion and Cost Overrun Guaranty) by the Borrower of the obligations of the Renewable Energy Subsidiary in connection with such Renewable Energy Project and (b) any indemnification by or from the Borrower of the owner of a landfill or other property used for such Renewable Energy Project or of a third party purchaser of landfill gas or energy produced from landfill gas, sunlight, wind or biomass in connection with such Renewable Energy Project; provided, however, that no Renewable Energy Project Guaranty shall guarantee the Indebtedness of any Person.

"Renewable Energy Project Guaranty Liability" means, in connection with any Renewable Energy Project Guaranty, any liability required to be accrued on the consolidated balance sheet of the Core Ameresco Companies in accordance with GAAP.

"Renewable Energy Subsidiaries" means (i) each of the Subsidiaries of the Borrower designated by the Borrower as a renewable energy subsidiary on Schedule 5.13 attached hereto as of the Effective Date and (ii) any other direct or indirect Subsidiary of the Borrower formed for the purpose of (x) constructing and/or operating any project for the construction and operation of a facility to process methane gas from a landfill site and/or convert methane gas, sunlight, wind or biomass into useable energy and/ or (y) selling such methane gas and/or energy produced from methane gas, sunlight, wind or biomass to one or more customers.

"Required Lenders" means, at any time when there is more than one Lender, at least two Lenders having Loans representing at least 66-2/3% of the sum of the aggregate Loans at such time, or at any time when there is only one Lender, such Lender.

"Restatement Date" means the date of the amendment and restatement of the Prior Credit Agreement, on which date the Effective Time shall occur.

"Restricted Junior Payment" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of, or other equity interest in, any Credit Party or any Subsidiary now or hereafter outstanding, except a dividend payable solely in shares of stock or other equity interests, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of, or other equity interest in, any Credit Party or any Subsidiary now or hereafter outstanding, (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of, or other equity interest in, any Credit Party or any Subsidiary, (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption purchase, retirement, defeasance (including economic or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness, and (v) any payment made to any Affiliates of any Credit Party or any Subsidiary in respect of management, consulting or other similar services provided to any Credit Party or any Subsidiary.

"Restrictive Agreements" has the meaning assigned to such term in Section 5.13(b).

"Revolving Credit Availability Period" means the period from and including the Effective Time to but excluding the earlier of (a) the Revolving Credit Maturity Date and (b) the date of termination of the Revolving Credit Commitments, as terminated by the Borrower pursuant to Section 2.7 or by the Agent pursuant to Section 9.2.

"Revolving Credit Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, as such commitment may be (a) reduced from time to time pursuant to Sections 2.7 and 2.9, or reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.4. The initial maximum amount of each Lender's Revolving Credit Commitment is set forth on Schedule 2.1, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Revolving Credit Commitment, as applicable. The aggregate original maximum amount of the Revolving Credit Commitments is equal to $50,000,000.

"Revolving Credit Exposure" means , with respect to any Revolving Credit Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans at such time and such Lender's Applicable Percentage of the Total LC Exposure at such time, and in the case of the Swing Loan Lender, the aggregate outstanding principal amount of all Swing Loans which have not been refunded pursuant to Section 2.6(d).

"Revolving Credit Lender" means (a) initially, a Lender that has a Revolving Credit Commitment set forth opposite its name on Schedule 2.1 and (b) thereafter, the Lenders from time to time holding Revolving Loans and Revolving Credit Commitments, after giving effect to any assignments thereof permitted by Section 11.4.

"Revolving Loan" means a Loan made pursuant to Section 2.1 (a) that utilizes the Revolving Credit Commitments.

"Revolving Credit Maturity Date" means June 30, 2011.

"Revolving Credit Notes" means the promissory notes, substantially in the form of Exhibit A annexed hereto, issued by the Borrower in favor of the Revolving Credit Lenders.

"Sakellaris Group" means George Sakellaris, Mr. Sakellaris' family members and trusts established for the benefit of Mr. Sakellaris' family members.

"Settlement Date" has the meaning assigned to such term in subsection 2.5(d).

"Settlement Loan" has the meaning assigned to such term in subsection 2.5(e).

"SL Deficiency Amount" has the meaning assigned to such term in subsection 2.6(c).

"Special Counsel" means Edwards Angell Palmer & Dodge LLP, in its capacity as special counsel to Bank of America, N.A., as Agent of the credit facilities contemplated hereby.

"Special Purpose Subsidiaries" means the Hawaii Joint Venture, the Non-Core Energy Subsidiaries and the Funding Subsidiaries.

"Subordinated Debt Documents" means all instruments, agreements and other documents executed and delivered by the Credit Parties in connection with Subordinated Indebtedness.

"Subordinated Indebtedness" means (a) the Subordinated Note and (b) any other Indebtedness of the Core Ameresco Companies incurred after the Restatement Date with the consent of the Agent that by its terms (or by the terms of the instrument under which it is outstanding and to which appropriate reference is made in the instrument evidencing such Subordinated Indebtedness) is made subordinate and junior in right of payment to the Loans and to the other Obligations of the Credit Parties by provisions in form and substance reasonably satisfactory to the Agent and Special Counsel.

"Subordinated Note" means the Promissory Note issued by the Borrower to George Sakellaris on May 17, 2000 in the original principal amount of $2,998,750.00, as amended from time to time.

"Subordination Agreement" means the Subordination Agreement dated as of December 29, 2004 (as amended and confirmed as of the Restatement Date), among George Sakellaris, the Credit Parties and the Agent, as such agreement may be further amended, supplemented or otherwise modified from time to time from and after the Restatement Date.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled (as described in the first sentence of the definition of "Control"), by the parent and/or one or more subsidiaries of the parent. References herein to

“Subsidiaries” shall, unless the context requires otherwise, be deemed to be references to Subsidiaries of the Borrower.

“Swing Loan” has the meaning specified in Section 2.6.

“Swing Loan Commitment” means the commitment of the Swing Loan Lender to make Swing Loans, as such commitment may be (a) reduced from time to time pursuant to Sections 2.7 and 2.9 and (b) reduced or increased from time to time pursuant to assignments by the Swing Loan Lender pursuant to Section 11.4. The original amount of the Swing Loan Commitment is equal to $3,000,000.

“Swing Loan Lender” means Bank of America, in its capacity as the Swing Loan Lender, together with its successors and assigns in such capacity.

“Swing Loan Note” means the promissory note, substantially in the form of Exhibit A-2, issued by the Borrower in favor of the Swing Loan Lender to evidence the Swing Loans.

“Swing Loan Request” has the meaning assigned to such term in Section 2.6.

“Tangible Capital Base” means, at any time an amount (determined on a consolidated basis without duplication in accordance with GAAP) equal to (a) the sum of (i) the book net worth of the Core Ameresco Companies on a consolidated basis, plus (ii) the outstanding principal amount of Subordinated Indebtedness, if any, minus (b) the total book value of all assets of the Core Ameresco Companies on a consolidated basis which would be treated as intangible assets under GAAP, including without limitation, such items as goodwill, customer lists, Patents, Copyrights and Trademarks, and rights (including rights under licenses) with respect to the foregoing, minus (c) all accounts receivable, notes receivable and other amounts due and owing to any Core Ameresco Company from any Affiliate of a Core Ameresco Company, minus (d) all Investments in Affiliates of any Core Ameresco Company, minus (e) any Renewable Energy Project Guaranty Liabilities.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Total Funded Debt” means the outstanding principal amount of all Indebtedness of the Core Ameresco Companies determined on a consolidated basis (without duplication) in respect of borrowed money, including (i) all Indebtedness described in clauses (a), (b) and (c) of the definition of Indebtedness set forth herein and (ii) all Renewable Energy Project Guaranty Liabilities, but excluding any Indebtedness incurred by the Credit Parties in connection with any Energy Conservation Project Financing.

“Total LC Exposure” means, at any time, the sum of (a) 100% of the aggregate undrawn amount of all outstanding standby and documentary Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time.

“Total Voting Power” means, with respect to any Person, the total number of votes which holders of securities having the ordinary power to vote, in the absence of contingencies, are entitled to cast in the election of directors of such Person.

“Trademarks” means all trademarks (including service marks), federal and state trademark registrations and applications made by the Credit Parties, common law trademarks and trade names owned by or assigned to the Credit Parties, all registrations and applications for the foregoing and all exclusive and nonexclusive licenses from third parties of the right to use trademarks of such third parties, including, without limitation, the registrations, applications, unregistered trademarks, service marks and licenses listed on Schedule 5.5 hereto, along with any and all (a) renewals thereof, (b) income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages, claims and payments for past or future infringements thereof, (c) rights to sue for past, present and future infringements thereof, and (d) foreign trademarks, trademark registrations, and trade name applications for any thereof and any other rights corresponding thereto throughout the world.

"Type" when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Eurodollar Rate or the Base Rate.

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"Unreimbursed Amount" has the meaning set forth in Section 2.4(c)(i).

"U.S. Dollars" or "$" refers to lawful money of the United States of America.

"Wholly Owned Subsidiary" means, with respect to any Person at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing 100% of the equity or ordinary voting power (other than directors' qualifying shares) or, in the case of a partnership, 100% of the general partnership interests are, as of such date, directly or indirectly owned, controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

1.2 **Terms Generally**. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3 **Accounting Terms; GAAP**. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Agent notifies the Borrower that the

Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision shall have been amended in accordance herewith.

1.4 **Joint and Several Obligations; Designated Financial Officers**.

(a) All Obligations of the Credit Parties hereunder shall be joint and several. Any notice, request, waiver, consent or other action made, given or taken by any Credit Party shall bind all Credit Parties.

(b) Each Credit Party hereby authorizes each of the Designated Financial Officers listed in Schedule 1.4 hereto to act as agent for each Credit Party and to execute and deliver on behalf of each Credit Party such notices, requests, waivers, consents, certificates and other documents, and to take any and all actions required or permitted to be delivered or taken by any Credit Party hereunder. The Borrower may replace any of the Designated Financial Officers listed in Schedule 1.4 hereto or add any additional Designated Financial Officers by delivering written notice to the Agent specifying the names of each new Designated Financial Officer and the offices held by each such Person. Each Credit Party hereby agrees that any such notices, requests, waivers, consents, certificates and other documents executed, delivered or sent by any Designated Financial Officer and any such actions taken by any Designated Financial Officer shall bind each Credit Party.

1.5 **Letter of Credit Amounts**. Unless otherwise specified herein the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases or decreases, as the case may be, in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases or decreases, as the case may be, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

The Credits

2.1 **Revolving Loans**.

(a) Revolving Credit Commitments. Subject to the terms and conditions set forth herein, each Revolving Credit Lender agrees to make Revolving Loans to the Borrower from time to time during the Revolving Credit Availability Period in an aggregate principal amount that will not result in such Lender’s Revolving Credit Exposure exceeding such Lender’s Revolving Credit Commitment at such time; provided that the total Revolving Credit Exposure (after giving effect to any requested Revolving Credit Borrowing and any repayment of Swing Loans effected by any requested Revolving Credit Borrowing) shall not at any time exceed the total Revolving Credit Commitments of all Revolving Credit Lenders at such time. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Funding of Revolving Loans.

(i) At all times when the AutoBorrow Agreement is in effect, subject to the satisfaction of the conditions set forth in Section 6.2 with respect to the funding of such

Revolving Loan, each Revolving Loan shall be made in accordance with the terms of the AutoBorrow Agreement; provided that (x) the aggregate amount of Revolving Loans made in accordance with the terms of the AutoBorrow Agreement shall not exceed $10,000,000 at any time and (y) Revolving Loans made to finance the reimbursement of an LC Disbursement shall be made in accordance with the terms of Section 2.1(b)(ii).

(ii) To request a Borrowing at any time following the termination of the AutoBorrow Agreement, (except requests for Swing Loan Borrowings which are subject to Section 2.6(b)), the Borrower shall notify the Agent of such request by telephone (i) in the case of a LIBOR Borrowing, not later than 1:00 p.m., Boston, Massachusetts time, three Business Days before the date of the proposed Borrowing or (ii) in the case of a Base Rate Borrowing not later than 1:00 p.m., Boston, Massachusetts time, one Business Day before the date of the proposed Borrowing; provided that any such notice of a Base Rate Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.4(c) may be given not later than 11:00 a.m., Boston, Massachusetts time, on the date of the proposed Borrowing provided further that the Borrower shall use Swing Loan Borrowings to finance the reimbursement of an LC Disbursement except to the extent that such Borrowings would cause the aggregate principal balance of all Swing Loans outstanding to exceed the Swing Loan Commitment, in which case the Borrower may use Base Rate Revolving Credit Borrowings to finance such reimbursement, but only to the extent of such excess. Each such telephonic Advance Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or electronic transmission to the Agent of a written Advance Request in the form of Exhibit B hereto, setting forth all of the information required to be set forth therein, and signed by a Designated Financial Officer of the Borrower. Promptly following receipt of an Advance Request in compliance with this subsection 2.1(b), the Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing, and provided that no Default under Section 9.1(a)(ii) or Event of Default shall have occurred and be continuing or shall result therefrom, (i) in the case of a LIBOR Borrowing, on the date three Business Days after such Advance Request is delivered to the Agent and (ii) in the case of a Base Rate Borrowing, on the date one Business Day thereafter, such Advance Request is delivered to the Agent, the Lenders shall make a Revolving Loan to the Borrower in accordance with the terms of Section 2.5 in an amount equal to the amount set forth in such Advance Request.

(c) Interest on Revolving Loans. Subject to Section 2.3 hereof, each Revolving Loan made to the Borrower by the Lenders hereunder shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin; provided that all Revolving Loans made in accordance with the AutoBorrow Agreement shall bear interest at a rate per annum equal to the Eurodollar Rate applicable to Revolving Loans having an Interest Period of one month, plus the Applicable Margin. Notwithstanding the foregoing, (i) all Revolving Loans which are not paid when due shall automatically bear interest until paid in full at the Post-Default Rate, (ii) during the period when any Event of Default of the type described in clauses (g), (h) or (i) of Section 9.1 shall have occurred and be continuing, the principal of all Revolving Loans hereunder shall automatically bear interest, after as well as before judgment, at the Post-Default Rate, (iii) if there shall occur and be continuing any Event of Default (other than an Event of Default of the type described in clauses (g), (h) or (i) of Section 9.1), following written notice delivered to the Borrower from the Agent at the request of the Required Lenders, the principal of all Revolving Loans hereunder shall bear interest, after as well as before judgment, at the Post-Default Rate during the period beginning on the date such Event of Default first occurred, and ending on the date such Event of Default is cured or waived. Except as otherwise provided in Section 2.3(b) hereof, accrued interest on each Revolving Loan shall be payable in arrears on the first day of each month; provided that interest accrued at the Post-Default Rate shall be payable on demand, and all accrued interest on Revolving Loans shall be payable upon expiration of the Revolving Credit Availability Period. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

(d) Repayment of Revolving Loans. The Borrower unconditionally promises to pay to the Agent for the account of each Revolving Credit Lender the then unpaid principal amount of such Lender's Revolving Loans on the Revolving Credit Maturity Date. In addition, if following any reduction in the Revolving Credit Commitments or at any other time the Revolving Credit Exposure shall exceed the Revolving Credit Commitment at such time, the Borrower shall first, repay Swing Loans, second, repay Revolving Loans, and third, to the extent necessary, provide cash collateral for Total LC Exposure as specified in Section 2.4(h), in an aggregate amount equal to such excess. In addition, at all times when the AutoBorrow Agreement is in effect, the Borrower shall repay outstanding Revolving Loans in accordance with the terms of the AutoBorrow Agreement.

(e) Loan Accounts. Each Revolving Credit Lender shall maintain in accordance with its usual practice an account evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The Agent shall maintain accounts in which it shall record the amount of each Revolving Loan made hereunder, the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Revolving Credit Lender hereunder and the amount of any sum received by the Agent hereunder for the account of the Revolving Credit Lenders and each Revolving Credit Lender's share thereof. The entries made in the account maintained by the Agent pursuant to this subsection 2.1(e) shall absent manifest error be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Agent to maintain such account or any error therein shall not in any manner affect the obligation of the Borrower to repay the Revolving Loans in accordance with the terms of this Agreement.

(f) Revolving Credit Notes. Prior to the Restatement Date, the Borrower shall prepare, execute and deliver to each Revolving Credit Lender a Revolving Credit Note in the principal amount of such Lender's Revolving Credit Commitment. Thereafter, the Revolving Loans of each Revolving Credit Lender evidenced by such Revolving Credit Note and interest thereon shall at all times (including after assignment pursuant to Section 11.4) be represented by one or more promissory notes in such form payable to the order of the payee named therein.

2.2 [Reserved.]

2.3 **LIBOR Borrowings.**

(a) General. Each Revolving Loan initially shall be a Base Rate Loan. Thereafter, the Borrower may elect to convert any portion of the outstanding Revolving Loans to a LIBOR Borrowing. The Borrower may elect different options for continuations and conversions with respect to different portions of the affected Borrowing, except with respect to Swing Loans, in which case the Loans comprising each such portion shall be considered a separate Borrowing. The Borrower shall not be permitted to select any Interest Period for any LIBOR Borrowing that ends after the Revolving Credit Maturity Date.

(b) Interest on LIBOR Borrowings. Each LIBOR Borrowing shall bear interest during the applicable Interest Period at a rate per annum equal to the Eurodollar Rate plus the Applicable Margin. Notwithstanding the foregoing, (i) all LIBOR Borrowings which are not paid when due shall automatically be converted into Base Rate Borrowings and shall bear interest until paid in full at the Post-Default Rate, (ii) during the period when any Event of Default of the type described in clauses (g), (h) or

(i) of Section 9.1 shall have occurred and be continuing, all LIBOR Borrowings shall automatically be converted into Base Rate Borrowings and shall bear interest, after as well as before judgment, at the Post-Default Rate, (iii) if there shall occur and be continuing any Event of Default (other than an Event of Default of the type described in clauses (g), (h) or (i) of Section 9.1), following written notice delivered to the Borrower from the Agent at the request of the Required Lenders, all LIBOR Borrowings shall automatically be converted into Base Rate Borrowings and shall bear interest, after as well as before judgment, at the Post-Default Rate during the period beginning on the date such Event of Default first occurred, and ending on the date such Event of Default is cured or waived. Accrued interest on each LIBOR Borrowing shall be payable in arrears on the last Business Day of the Interest Period applicable to such LIBOR Borrowing; provided that (a) in the case of a LIBOR Borrowing with a Interest Period of more than three months' duration, accrued interest shall be due on the last Business Day of such Interest Period and on the last Business Day of each three month period, and (b) interest accrued at the Post-Default Rate shall be payable on demand. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Eurodollar Rate or Eurodollar Base Rate shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

(c) Procedure for Requesting LIBOR Borrowings. To request that any portion of the outstanding Revolving Loans be converted into a LIBOR Borrowing, or, to request that any LIBOR Borrowing continue as a LIBOR Borrowing for an additional Interest Period, the Borrower shall notify the Agent of such request by telephone (i) in the case of a LIBOR Borrowing, not later than 1:00 p.m., Boston, Massachusetts time, three Business Days before the date of the proposed conversion or continuation of such Borrowing. Each such Interest Election Request made by the Borrower shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or electronic transmission to the Agent of a written Advance Request in the form of Exhibit B hereto, setting forth all of the information required to be set forth therein, and signed by a Designated Financial Officer of the Borrower. No Swing Loan shall be converted from a Base Rate Borrowing to a LIBOR Borrowing. Promptly following receipt of an Interest Election Request, the Agent shall advise each affected Lender of the details thereof and of such Lender's portion of each resulting Borrowing. Subject to the provisions of subsection 2.3(f) and provided that no Default or Event of Default shall have occurred and be continuing and the Agent, at the request of the Required Lenders shall have so notified the Borrower, upon receipt of an Interest Election Request, the Lenders shall on the requested date of conversion or continuation (i) convert the Base Rate Loan requested to be converted into a LIBOR Loan for the Interest Period set forth in such Interest Election Request and/or (ii) continue the LIBOR Loan requested to be continued as a LIBOR Loan for the additional Interest Period set forth in such Interest Election Request. Each Lender at its option may make any LIBOR Loan by causing any domestic or foreign branch of any Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(d) Incomplete Interest Election Requests. If any Interest Election Request is incomplete in any respect, then such Interest Election Request shall be void and the Borrowing which was the subject matter of such Interest Election Request shall continue as a Base Rate Borrowing. If, with respect to any existing LIBOR Borrowing, the Borrower fails to deliver an Interest Election Request to continue such LIBOR Borrowing at least three Business Days prior to the expiration of the Interest Period for such existing LIBOR Borrowing, such LIBOR Borrowing shall automatically convert to a Base Rate Borrowing at the expiration of such Interest Period.

(e) Limit on LIBOR Borrowings. At the commencement of each Interest Period for a LIBOR Borrowing, such Borrowing shall be in an aggregate amount at least equal to $500,000 or any greater multiple of $100,000. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of seven (7) LIBOR Borrowings outstanding.

(f) Alternate Rate of Interest. If prior to the commencement of any Interest Period for a LIBOR Borrowing, (i) the Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate or the Eurodollar Base Rate for such Interest Period, (ii) the Agent is advised by the Required Revolving Credit Lenders that the Eurodollar Rate or the Eurodollar Base Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such LIBOR Borrowing, or (iii) if the Agent or any Lender shall have determined in good faith that as a result of any Change in Law it is unlawful or impossible for any Lender to make or maintain any LIBOR Borrowing; then in each case the Agent shall give notice thereof to the Borrower and the affected Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Agent notifies the Borrower and such Lenders that the circumstances giving rise to such notice no longer exist, any Interest Election Request submitted by the Borrower shall be ineffective; provided that if as a result of a Change in Law the Lenders are prohibited from maintaining any outstanding LIBOR Borrowing, upon notice from the Agent, the Borrower shall immediately (A) convert such LIBOR Borrowing to a Base Rate Loan, or (B) repay such LIBOR Borrowing in full, together with all interest accrued thereon and all fees and other amounts payable to the Lenders hereunder (in either case, subject to the provisions of subsection 2.3(g) of this Agreement with respect to redeployment costs).

(g) Break Funding Payments. In the event of (i) the payment of any principal of any LIBOR Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (ii) the conversion of any LIBOR Loan other than on the last day of the Interest Period applicable thereto, or (iii) the failure to borrow, convert, continue or prepay any LIBOR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable and is revoked in accordance herewith), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event, as determined by such Lender in a manner consistent with its customs and practices. In the event that any Lender is entitled to receive compensation pursuant to this subsection 2.3(g), such Lender shall deliver a certificate to the Borrower setting forth the amount or amounts that such Lender is entitled to receive, and the Borrower shall pay such Lender such amount or amounts within three (3) days after receipt of such certificate.

2.4 **Letters of Credit.**

(a) General. Subject to the terms and conditions set forth herein, in addition to the Revolving Loans provided for in Section 2.1 and the Swing Loans provided for in Section 2.6(a), the Borrower may request the issuance of Letters of Credit for its own account by the Issuing Lender, in a form reasonably acceptable to the Issuing Lender, at any time and from time to time during the Revolving Credit Availability Period. Letters of Credit issued hereunder shall constitute utilization of the Revolving Credit Commitments and, without limitation of the provisions of Section 2.1 (a), in no event shall the Total LC Exposure at any time exceed $10,000,000. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Each of the letters of credit identified on Schedule 2.4 (collectively, the "Existing Letters of Credit") shall be deemed to have been issued pursuant hereto, and from and after the Restatement Date shall be subject to and governed by the terms and conditions hereof so long as they remain outstanding.

(b) Procedures for Issuance, Amendment and Extension of Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the Issuing Lender (with a copy to the Agent) in the form of an LC Application, appropriately completed and signed by a Designated Financial

Officer of the Borrower. Such LC Application must be received by the Issuing Lender and the Agent not later than 11:00 a.m. Boston, Massachusetts time at least two Business Days (or such later date and time as the Agent and the Issuing Lender may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such LC Application shall specify in form and detail satisfactory to the Issuing Lender: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the Issuing Lender may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such LC Application shall specify in form and detail reasonably satisfactory to the Issuing Lender (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the Issuing Lender may reasonably require. Additionally, the Borrower shall furnish to the Issuing Lender and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the Issuing Lender or the Agent may require.

(ii) Promptly after receipt of any LC Application, the Issuing Lender will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such LC Application from the Borrower and, if not, the Issuing Lender will provide the Agent with a copy thereof. Unless the Issuing Lender has received written notice from any Lender, the Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions in Article 6 shall not then be satisfied, then, subject to the terms and conditions hereof, the Issuing Lender shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the Issuing Lender's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Lender a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage multiplied by the amount of such Letter of Credit.

(iii) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the Issuing Lender will also deliver to the Borrower and the Agent a true and complete copy of such Letter of Credit or amendment.

(iv) If the Borrower so requests in any applicable LC Application, the Issuing Lender may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the Issuing Lender to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Issuing Lender, the Borrower shall not be required to make a specific request to the Issuing Lender for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Issuing Lender to permit the extension of such Letter of Credit at any time to an expiry date not later than the L/C Expiration Date; provided, however, that the Issuing Lender shall not permit any such extension if (A) the Issuing Lender has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (1) from the Agent that the Required Lenders have elected not to permit such extension or (2) from the Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the Issuing Lender not to permit such extension.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Lender shall notify the Borrower and the Agent thereof. Not later than 11:00 a.m. Boston, Massachusetts time on the date of any payment by the Issuing Lender under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the Issuing Lender through the Agent in an amount equal to the amount of such drawing (each such obligation of the Borrower, a "Reimbursement Obligation"). If the Borrower fails to pay any Reimbursement Obligation to the Issuing Lender by such time, the Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, but subject to the amount of the unutilized portion of the Commitments and the conditions set forth in Section 6.2 (other than the delivery of an Advance Request). Any notice given by the Issuing Lender or the Agent pursuant to this Section 2.4(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.4(c)(i) make funds available to the Agent for the account of the Issuing Lender in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. Boston, Massachusetts time on the Business Day specified in such notice by the Agent, whereupon, subject to the provisions of Section 2.4(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Agent shall remit the funds so received to the Issuing Lender.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 6.2 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the Issuing Lender an LC Disbursement in the amount of the Unreimbursed Amount that is not so refinanced, which LC Disbursement shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Agent for the account of the Issuing Lender pursuant to Section 2.4(c)(ii) shall be deemed payment in respect of its participation in such LC Disbursement and shall constitute an LC Advance from such Lender in satisfaction of its participation obligation under this Section 2.4.

(iv) Until each Lender funds its Base Rate Loan or LC Advance pursuant to this Section 2.4(c) to reimburse the Issuing Lender for any amount drawn under any Letter of

Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the Issuing Lender.

(v) Each Lender's obligation to make Base Rate Loans or LC Advances to reimburse the Issuing Lender for amounts drawn under Letters of Credit, as contemplated by this Section 2.4(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.4(c) is subject to the conditions set forth in Section 6,2 (other than delivery by the Borrower of an Advance Request). No such making of an LC Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the Issuing Lender for the amount of any payment made by the Issuing Lender under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Agent for the account of the Issuing Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.4(c) by the time specified in Section 2.4(c)(ii), the Issuing Lender shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Issuing Lender at a rate per annum equal to the greater of the Federal Funds Effective Rate and a rate determined by the Issuing Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Issuing Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Loan included in the relevant Borrowing or LC Advance in respect of the relevant LC Disbursement, as the case may be. A certificate of the Issuing Lender submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the Issuing Lender has made a payment under any Letter of Credit and has received from any Lender such Lender's LC Advance in respect of such payment in accordance with Section 2.4(c), if the Agent receives for the account of the Issuing Lender any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of cash collateral applied thereto by the Agent), the Agent will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Agent.

(ii) If any payment received by the Agent for the account of the Issuing Lender pursuant to Section 2.4(c)(i) is required to be returned under any of the circumstances described in Section 11.15 (including pursuant to any settlement entered into by the Issuing Lender in its discretion), each Lender shall pay to the Agent for the account of the Issuing Lender its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the Issuing Lender for Reimbursement Obligations and to repay each LC Disbursement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the Issuing Lender under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Issuing Lender under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary, except any circumstance or happening caused by the gross negligence or willful misconduct of the Issuing Lender.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it in accordance with the procedures set forth herein and, in the event of any claim of noncompliance with the Borrower’s instructions or other irregularity, the Borrower will promptly notify the Issuing Lender. The Borrower shall be deemed to have waived any such claim against the Issuing Lender and its correspondents unless such notice is given as aforesaid.

(f) Role of Issuing Lender. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the Issuing Lender shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuing Lender, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the Issuing Lender shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Issuing Lender, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the Issuing Lender, shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.4(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the Issuing Lender, and the Issuing Lender may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which were caused by the Issuing Lender's willful misconduct or gross negligence or the Issuing Lender's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, and the Issuing Lender shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Cash Collateral. If either (i) an Event of Default shall occur and be continuing and the Borrower receives notice from the Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, or (ii) the Borrower shall be required to provide cash collateral for Total LC Exposure pursuant to subsections 2.1(d) or 2.9(b), the Borrower shall immediately deposit with the Agent an amount in cash equal to, in the case of an Event of Default, the Total LC Exposure as of such date plus any accrued and unpaid interest thereon and, in the case of any cash collateral required to be provided pursuant to subsections 2.1(d) or 2.9(b), the amount required under subsections 2.1(d) or 2.9(b), as the case may be; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in clause (g) or (h) of Section 9.1. Such deposit shall be held by the Agent as collateral in the first instance for the Total LC Exposure under this Agreement and thereafter for the payment of any other obligations of the Credit Parties hereunder. Cash collateral shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America.

(h) Applicability of ISP and UCP. Unless otherwise expressly agreed by the Issuing Lender and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each commercial Letter of Credit.

(i) Confirmation of Existing Letters of Credit Issued Under Prior Credit Agreement. All Existing Letters of Credit (including those issued under the Prior Credit Agreement) outstanding on the Restatement Date shall be deemed to be Letters of Credit issued hereunder.

2.5 **Loans and Borrowings; Funding of Borrowings.**

(a) Loans and Borrowings. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The Failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required herein.

(b) Funding of Borrowings. Each Lender shall make each Loan (other than a Swing Loan) to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., Boston, Massachusetts time to the account of the Agent most recently designated by it for such purpose by notice to the Lenders. The Agent will make such Loans (other than Swing Loans) available to the Borrower by promptly crediting the amounts so received, in like funds, to one or more accounts of the Borrower maintained with the Agent in Boston, Massachusetts; provided that (i) Revolving Base Rate Loans made to finance the reimbursement of an LC Disbursement under any Letter of Credit as provided in subsection 2.4(c) shall be remitted by the Agent to the Issuing Lender and (ii) Revolving Credit Base Rate Loans made to finance the refunding of Swing Loans as provided in Section 2.6(d)(i) shall be remitted by the Agent to the Swing Loan Lender.

(c) Agent's Assumption that Each Lender will Make Loans. Unless the Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (other than a Swing Loan Borrowing) that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with paragraph (b) of this Section 2.5 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Agent, then the applicable Lender agrees to pay to the Agent forthwith on demand in immediately available funds such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower but excluding the date of payment to the Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Agent in connection with the foregoing. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

2.6 **Swing Loan Facility**.

(a) The Swing Loan. Subject to the terms and conditions hereinafter set forth, upon notice by the Borrower made to the Swing Loan Lender in accordance with Section 2.6(b)(i), the Swing Loan Lender hereby agrees to make Swing Loans to the Borrower from time to time on any Business Day during the period between the Restatement Date and the Business Day immediately prior to the expiration of the Revolving Credit Availability Period in an aggregate principal amount not to exceed the Swing Loan Commitment. The Swing Loans shall be payable with interest accrued thereon on the Business Day immediately prior to the expiration of the Revolving Credit Availability Period. Amounts borrowed by the Borrower under this Section 2.6 may be repaid and reborrowed, subject to the conditions hereof. At the time that each Swing Loan Borrowing is made, such Borrowing shall be in an aggregate amount that is at least equal to $100,000 or any greater multiple of $100,000. Notwithstanding any other provisions of this Agreement and in addition to the Swing Loan Commitment limitation set forth above at no time shall the sum of (i) the aggregate principal amount of all outstanding Swing Loans (after giving effect to all amounts requested and the application of the proceeds thereof) plus (ii) the aggregate principal amount of all outstanding Revolving Loans (after giving effect to all amounts requested and the application of the proceeds thereof), plus (iii) the aggregate LC Exposure, exceed the aggregate amount of the Revolving Credit Commitments of all the Lenders; provided, however, that subject to the limitations set forth in this Section 2.6(a) from time to time the ratio of (x) the sum of the aggregate Revolving Credit Exposure of the Swing Loan Lender (both in its capacity as the Swing Loan Lender and in its capacity as a Revolving Credit Lender) to (y) the sum of the aggregate Revolving Credit Exposure of all Lenders (including the Swing Loan Lender both in its capacity as the Swing Loan Lender and in its capacity as a Revolving Credit Lender) may exceed its Applicable Percentage.

(b) Requests for Swing Loans.

(i) When the Borrower desires the Swing Loan Lender to make a Swing Loan, it shall send to the Agent and the Swing Loan Lender a written request (or telephonic notice, if thereafter promptly confirmed in writing) (a "Swing Loan Request"), which request shall set forth (x) the principal amount of the proposed Swing Loan, and (y) the proposed date of Borrowing of such Swing Loan (which date shall be a Business Day). Each such Swing Loan Request must be received by the Swing Loan Lender not later than 1:00 p.m. (Boston, Massachusetts time) on the proposed date of Borrowing of the Swing Loan being requested. Each Swing Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to borrow the Swing Loan from the Swing Loan Lender on the proposed date of Borrowing.

(ii) Upon satisfaction of the applicable conditions set forth in this Agreement, at or before the close of business on the proposed date of Borrowing, the Swing Loan Lender shall make the Swing Loan available to the Borrower by crediting the amount of the Swing Loan to an account designated by the Borrower to the Swing Loan Lender; provided that Swing Loans made to finance the reimbursement of an LC Disbursement under any Letter of Credit as provided in Section 2.4(c) shall be remitted by the Agent to the Issuing Lender.

(iii) Notwithstanding the foregoing, the Swing Loan Lender shall not advance any Swing Loans after it has received notice from any Lender or any Credit Party that a Default under Section 9.1(a)(ii) or an Event of Default has occurred and is continuing and stating that no new Swing Loans are to be made until such Default or Event of Default has been cured or waived in accordance with the provisions of this Agreement.

(c) Interest on Swing Loans. Each Swing Loan shall be a Base Rate Loan and shall bear interest for the account of the Swing Loan Lender thereof until repaid in full at the rate per annum equal to the Base Rate plus the Applicable Margin for Base Rate Loans. The Borrower promises to pay interest on the Swing Loans in arrears on each Interest Payment Date with respect thereto. All such interest payable with respect to the Swing Loans shall be payable for the account of the Swing Loan Lender.

(d) Refundings of Swing Loans; Participations in Swing Loans.

(i) The Swing Loan Lender, at any time in its sole and absolute discretion, may, on behalf of the Borrower (which hereby irrevocably directs the Swing Loan Lender to act on its behalf) request each Revolving Credit Lender, including the Swing Loan Lender, in its capacity as a Revolving Credit Lender, to make a Revolving Loan in an amount equal to such Revolving Credit Lender's Applicable Percentage of the amount of the Swing Loans (the "Refunded Swing Loans") outstanding on the date such notice is given. Upon such request, unless any of the Events of Default described in Section 9.1 (g) or (h) shall have occurred (in which event the procedures of Section 2.6(d)(ii) shall apply), each Revolving Credit Lender shall make the proceeds of its Revolving Loan available to the Agent, for the account of the Swing Loan Lender, at the Agent's office prior to 11:00 a.m. Boston, Massachusetts time in funds immediately available on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Loans shall be immediately applied to repay the Refunded Swing Loans.

(ii) If, prior to the making of a Revolving Loan pursuant to Section 2.6(d)(i), an Event of Default described in Section 9.1 (g) or (h) shall have occurred, each Revolving Credit Lender will, on the date such Revolving Loan was to have been made, purchase an undivided participation interest in the Refunded Swing Loan in an amount equal to its Applicable

Percentage of such Refunded Swing Loan. Each Revolving Credit Lender will immediately transfer to the Swing Loan Lender, in immediately available funds, the amount of its participation in such Refunded Swing Loan.

(iii) Whenever, at any time after the Swing Loan Lender has received from any Revolving Credit Lender such Revolving Credit Lender's participation interest in a Refunded Swing Loan pursuant to Section 2.6(d)(ii) above, the Swing Loan Lender receives any payment on account thereof, the Swing Loan Lender will distribute to such Revolving Credit Lender its participation interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Credit Lender's participation interest was outstanding and funded); provided, however, that in the event that such payment received by the Swing Loan Lender is required to be returned, such Revolving Credit Lender will return to the Swing Loan Lender any portion thereof previously distributed by the Swing Loan Lender to it as such payment is required to be returned by the Swing Loan Lender.

(iv) If any Revolving Credit Lender does not make available to the Swing Loan Lender any amounts for the purpose of refunding a Swing Loan pursuant to Section 2.6(d)(i) above or to purchase a participation interest in a Swing Loan pursuant to Section 2.6(d)(ii) above (any such amounts payable by any Revolving Credit Lender being referred to herein as "Refunding or Participation Amounts") on the applicable due date with respect thereto, then the applicable Revolving Credit Lender shall pay to the Swing Loan Lender forthwith on demand such Refunding or Participation Amounts with interest thereon for each day from and including the date such amount is made available to the Swing Loan Lender but excluding the date of payment to the Swing Loan Lender, at the Federal Funds Effective Rate. If such Lender pays such amount to the Swing Loan Lender, then such amount shall constitute such Revolving Credit Lender's Loan included in such refunding Borrowing or the consideration for the purchase of such participation interest, as the case may be.

(v) The failure or refusal of any Revolving Credit Lender to make available to the Swing Loan Lender at the aforesaid time and place the amount of its Refunding or Participation Amounts (x) shall not relieve any other Revolving Credit Lender from its several obligations hereunder to make available to the Swing Loan Lender the amount of such other Revolving Credit Lender's Refunding or Participation Amounts and (y) shall not impose upon such other Revolving Credit Lender any liability with respect to such failure or refusal or otherwise increase the Revolving Credit Commitment of such other Revolving Credit Lender.

(vi) Each Revolving Credit Lender severally agrees that its obligation to make available to the Swing Loan Lender its Refunding or Participation Amount as described above shall (except to the extent expressly set forth in Section 2.6(d)(iv)) be absolute and unconditional and shall not be affected by any circumstance, including (A) any set-off, counterclaim, recoupment, defense or other right which such Revolving Credit Lender may have against the Swing Loan Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of any Default, the termination of the Revolving Credit Commitments or any other condition precedent whatsoever, (C) any adverse change in the condition (financial or otherwise) of any Credit Party or any other Person, (D) any breach of any of the Loan Documents by any of the Credit Parties or any other Lender, or (E) any other circumstance, happening or event, whether or not similar to any of the foregoing; provided, however, that the obligation of each Revolving Credit Lender to make available to the Swing Loan Lender its Refunding or Participation Amount in respect of any Swing Loan is subject to the condition that the Swing Loan Lender believes in good faith that all conditions under Section 6.2 were satisfied at the time such Swing Loan was made; provided further that the Swing Loan

Lender shall have been deemed to have believed in good faith that such conditions were satisfied unless, prior to the making of such Swing Loan, either (1) the Swing Loan Lender shall have received notice from any other Lender or any Credit Party that a Default existed as such time, or (2) the most recent Compliance Certificate received from the Borrower indicating that a Default has occurred and is continuing and, in either case, such Default had not been cured or waived at the time of the making of such Swing Loan.

2.7 **Expiration, Termination or Reduction of Commitments.**

(a) Expiration of Revolving Credit Commitments. Unless previously terminated, the Revolving Credit Commitments shall expire at the close of business on the Revolving Credit Maturity Date.

(b) Reduction of Revolving Credit Commitments. The Borrower may at any time and from time to time reduce the Revolving Credit Commitments or the Swing Loan Commitment; provided that (i) each reduction of the Revolving Credit Commitments or the Swing Loan Commitment shall be in an amount that is at least equal to $500,000 or any greater multiple of $100,000, and (ii) the Borrower shall not reduce (A) the Revolving Credit Commitments if, after giving effect to any concurrent repayment, the total Revolving Credit Exposure would exceed the total Revolving Credit Commitments or (B) the Swing Loan Commitment if, after giving effect to any concurrent repayment of the Swing Loans in accordance with Section 2.6 or prepayment of the Loans in accordance with Section 2.9, the aggregate principal amount of outstanding Swing Loans would exceed the Swing Loan Commitment, after giving effect to such termination or reduction. The Borrower shall notify the Agent of any election to reduce the Revolving Credit Commitment or the Swing Loan Commitment at least three Business Days prior to the effective date of such reduction, specifying the effective date thereof. Each notice of reduction of the Revolving Credit Commitment or the Swing Loan Commitment shall be irrevocable. Each reduction of the Revolving Credit Commitment shall be permanent and shall be made ratably among the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitments.

(c) Optional Termination of Commitments. The Borrower shall have the right at any time to terminate the Commitments. The Borrower shall notify the Agent of any election to terminate Commitments under this Section 2.7(c) at least three Business Days prior to the effective date of such termination, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.7(e) shall be irrevocable; provided that a notice of termination of Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination of Commitments shall be permanent.

2.8 **Payments Generally; Pro Rata Treatment; Sharing of Set-Offs; Collection.**

(a) Payments Generally. The Borrower shall be obligated to make each payment required to be made by the Borrower hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or otherwise) prior to 1:00 p.m. Boston, Massachusetts time, on the date when due, in immediately available funds, in U.S. dollars, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All payments shall be made to the Agent at its offices in Boston, Massachusetts, except that payments pursuant to Sections 2.4, 2.11, 2.12, 11.3 and subsection 2.3(g) shall be made directly to the Persons entitled thereto. The Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof, and the Borrower shall have no liability in the event timely or correct distribution of such payments is not so made. If any payment shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding anything to the contrary set forth herein, all payments of interest, fees and other amounts (including, without limitation, payments of principal) due to be paid by the Borrower hereunder shall be made through the automatic withdrawal from the Borrower's deposit account with the Agent of amounts equal to the amounts of such interest, fees or other amounts due to be paid by the Borrower hereunder, and the Borrower hereby irrevocably authorizes and directs the Agent to take such actions as may be necessary to effectuate such automatic withdrawals, and, upon funding of any such withdrawal in an amount sufficient to make a payment of interest, fees or other amounts due hereunder, the Borrower's obligation to make such payment shall be discharged. The Borrower expressly acknowledges and agrees that if any such withdrawal is not in an amount sufficient to satisfy the amount of any interest, fees or other amounts (including, without limitation, principal payments) due hereunder, the Borrower shall remain obligated to pay the full amount of such interest, fees or other amounts as and when the same shall become due.

(b) Application of Payments. If at any time insufficient funds are received by and available to the Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder under any circumstances, including, without limitation during, or as a result of the exercise by the Agent or the Lenders of remedies hereunder or under any other Loan Document and applicable law, such funds shall be applied (i) first, to pay fees, costs and expenses then due hereunder ratably among the parties entitled thereto under the Loan Documents in accordance with the amounts of fees, costs and expenses then due to such parties, (ii) second, to pay interest then due hereunder ratably among the parties entitled thereto under the Loan Documents in accordance with the amount of interest then due to such parties; (iii) third, to pay principal and unreimbursed LC Disbursements then due hereunder ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties, and (iv) fourth, to any other Obligations then due from the Credit Parties to the Agent, the Issuing Lender or the Lenders.

(c) Pro Rata Treatment. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of set-off or otherwise) on account of the Loans made by it (other than pursuant to Sections 2.4, 2.6, 2.11 or 2.12), then, if there is any Unreimbursed Amount outstanding in respect of which the Issuing Lender has not received payment in full from such Lender pursuant to Section 2.4(c) (the amount of such Unreimbursed Amount being such Revolving Credit Lender's "LC Deficiency Amount") or if there is any Swing Loan outstanding in respect of which, pursuant to Section 2.6(d)(i) or (ii), the Swing Loan Lender has not received payment in full from such Lender pursuant to Section 2.6(d)(i) or (ii) (the amount of such Swing Loan being such Lender's "SL Deficiency Amount"), such Lender shall both (a) purchase a participation in such Unreimbursed Amount in an amount equal to the amount obtained by multiplying the amount of such payment obtained by such Lender (the "Payment Amount") by a fraction, the numerator of which is such LC Deficiency Amount and the denominator of which is the sum of such LC Deficiency Amount plus such SL Deficiency Amount (such sum being the "Aggregate Deficiency" with respect to such Payment Amount), and (b) purchase a participation in such Swing Loan in an amount equal to the amount obtained by multiplying such Payment Amount by a fraction, the numerator of which is such SL Deficiency and the denominator of which is such Aggregate Deficiency. If, after giving effect to the foregoing, any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans (or participations in LC Disbursements) (other than pursuant to Sections 2.4, 2.6, 2.11 or 2.12), resulting in such Lender receiving payment of a greater proportion of the aggregate principal amount of its Loans (and participations in LC Disbursements) and accrued interest thereon than the proportion of such amounts received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans (and LC Disbursements) of the other Lenders to the extent necessary so that the benefit of such payments shall be shared by all the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans (and participations in LC Disbursements); provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans (or participations in LC Disbursements) to any assignee or participant, other than to any Credit Party or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Agent's Assumption that Borrower will Make Payments. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of the Lenders or the Issuing Lender entitled thereto (the "Applicable Recipient") hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Applicable Recipient the amount due. In such event, if the Borrower has not in fact made such payment, then each Applicable Recipient severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Applicable Recipient with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the Federal Funds Effective Rate.

(e) Lender's Failure to Make Payment. If any Lender shall fail to make any payment required to be made by it pursuant to subsections 2.4(c), 2.5(c), 2.6(d)(i) or (ii), or 2.8(d), then the Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Agent for the account of such Lender to satisfy such Lender's obligations under such subsection until all such unsatisfied obligations are fully paid.

2.9 **Prepayment of Loans**.

(a) Optional Prepayments of Loans. The Borrower shall have the right at any time and from time to time to prepay the Revolving Loans (including the Swing Loans) in whole or in part, subject to prior notice in accordance with subsection 2.9(d) in the case of LIBOR Loans, and subject to the payment of any amounts due under subsection 2.3(g). The amount of any optional prepayment in respect of the Revolving Loans shall be applied first, to the repayment of Swing Loans and, second, to the repayment of Revolving Loans.

(b) Mandatory Prepayments. The Borrower shall be obligated to, and shall, make prepayments of the Loans hereunder (and, if applicable as provided in Section 2.9(c), reduce the Revolving Credit Commitments hereunder) as follows:

(i) Incurrence of Debt. Without limiting the obligation of the Borrower to obtain the consent of the Required Lenders to any incurrence of Indebtedness not otherwise permitted hereunder, the Borrower agrees, on the closing of any incurrence of Indebtedness by any Credit Party (other than Indebtedness permitted pursuant to Section 8.1) to prepay the Loans hereunder (and provide cash collateral for Total LC Exposure as specified in subsection 2.4(h)), and, if applicable as provided in Section 2.9(c), the Revolving Credit Commitments hereunder shall be subject to automatic reduction, upon the date of such incurrence of Indebtedness, in an aggregate amount equal to 100% of the amount of the Net Cash Payments from such incurrence of Indebtedness received by any Credit Party, such prepayment and reduction to be effected in each case in the manner and to the extent specified in subsection 2.9(c) below.

(ii) Sale of Assets. Without limiting the obligation of the Borrower to obtain the consent of the Required Lenders to any Disposition not otherwise permitted hereunder, the Borrower agrees, on or prior to the occurrence of any Disposition by any Credit Party, to deliver to the Agent a statement certified by a Designated Financial Officer of the Borrower, in form and detail reasonably satisfactory to the Agent, of the estimated amount of the Net Cash Payments of such Disposition that will (on the date of such Disposition) be received by any Credit Party in cash, indicating on such certificate, whether the Borrower intends to reinvest such Net Cash Payments (to the extent Net Cash Payments from Dispositions do not exceed $1,000,000 in the aggregate after the Effective Time) or will be prepaying the Loans, as hereinafter provided, and the Borrower will be obligated to either (A) cause the applicable Credit Party to reinvest such Net Cash Payments (to the extent Net Cash Payments from Dispositions do not exceed $1,000,000 in the aggregate after the Effective Time) within 180 days after receipt (or, if within such 180 day period the Borrower or any Credit Party enters into contracts related to the reinvestment of such Net Cash Payments, such longer period not to exceed 365 days after the original date of receipt of such Net Cash Payments as is contemplated by such contracts) into replacement assets or the repair of existing assets or (B) to the extent such Net Cash Payments exceed $1,000,000 in the aggregate after the Effective Time, prepay the Loans hereunder (and provide cover for Total LC Exposure as specified in Section 2.4(h)), and, if applicable, as provided in Section 2.9(c), the Revolving Credit Commitments hereunder shall be subject to automatic reduction, as follows:

(x) upon the date of such Disposition, or on the date (the "Reinvestment Date") which is 180 days after such date (or such longer period not to exceed 365 days as contemplated by contracts related to the reinvestment of such Net Cash Payments) if the Borrower had indicated on the certificate delivered as hereinabove required that it intended to reinvest the Net Cash Payments of such Disposition, in an aggregate amount equal to 100% of the amount of such Net Cash Payments, to the extent received by any Credit Party in cash on the date of such Disposition or, if applicable, the Reinvestment Date to the extent of any Net Cash Payments not so reinvested; and

(y) thereafter, quarterly, on the date of the delivery by the Borrower to the Administrative Agent pursuant to Section 7.1 of the financial statements for any quarterly fiscal period or fiscal year, to the extent any Credit Party shall receive Net Cash Payments during the quarterly fiscal period ending on the date of such financial statements in cash under deferred payment arrangements or Investments entered into or received in connection with any Disposition, an amount equal to (A) 100% of the aggregate amount of such Net Cash Payments minus (B) any transaction expenses associated with Dispositions and not previously deducted in the determination of Net Cash Payments plus (or minus, as the case may be) (C) any other adjustment received or paid by any Credit Party pursuant to the respective agreements giving rise to Dispositions and not previously taken into account in the determination of the Net Cash Payments.

Prepayments of Loans (and cover for Total LC Exposure) shall be effected in each case in the manner and to the extent specified in paragraph (c) of this Section 2.9; provided that if at the time of any such Disposition a Default shall have occurred and be continuing, the Credit Parties shall not have the right to reinvest any Net Cash Payments and shall instead prepay the Loans by 100% of the amount of Net Cash Payments received from such Disposition.

(iii) Proceeds of Casualty Events. Upon the date 180 days following the receipt by any Credit Party of the proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event affecting any property of any Credit Party (or upon such earlier date as such Credit Party, as the case may be, shall have determined not to repair or replace the property affected by such Casualty Event), except to the extent Net Cash Payments from Casualty Events do not exceed $1,500,000 in the aggregate after the Effective Time, the Borrower shall prepay the Loans (and provide cover for Total LC Exposure as specified in Section 2.4(h)), and, if applicable as provided in Section 2.9(c), the Revolving Credit Commitments shall be subject to automatic reduction, in an aggregate amount, if any, equal to 100% of the Net Cash Payments from such Casualty Event not theretofore applied or committed to be applied to the repair or replacement of such property (it being understood that if Net Cash Payments committed to be applied are not in fact applied within twelve months after receipt thereof, then such Net Cash Payments shall be applied to the prepayment of Loans and cover for Total LC Exposure and reduction of Commitments as provided in this clause (iii) at the expiration of such 180 day period), such prepayment and reduction to be effected in each case in the manner and to the extent specified in paragraph (c) of this Section 2.9; provided that if a Default has occurred and is continuing, no Net Cash Payments from any Casualty Event may be applied to the repair or replacement of any property and such Net Cash Payments shall be applied in stead to prepay the Loans by 100% of the amount of Net Cash Payments received from such Casualty Event.

(c) Application.

(i) In the event of any mandatory prepayment of Loans pursuant to subsection (b) of this Section 2.9, the proceeds shall be applied as follows:

(A) first, to the extent that a repayment of Swing Loans shall at such time be required pursuant to Section 2.9(a), to the repayment of Swing Loans, but only to such extent (with no reduction in the Commitments);

(B) second, to the extent that total Revolving Credit Exposure shall at such time exceed the total Revolving Credit Commitments at such time, such prepayment shall be applied to the repayment of Revolving Loans to be shared and applied ratably among the Revolving Credit Lenders in proportion to their respective Revolving Credit Commitments (with no reduction in the Commitments); and

(C) third, the amount of any mandatory prepayment shall be applied to repay Revolving Loans, and, second, to provide cash collateral for Total LC Exposure as specified in Section 2.4(h), with a corresponding permanent reduction in the Revolving Credit Commitments.

(d) Notification of Certain Prepayments. The Borrower shall notify the Agent by telephone (confirmed by telecopy) of any voluntary prepayment of any LIBOR Loan not later than 1:00 p.m., Boston, Massachusetts time, three Business Days before the date of such prepayment. The Borrower shall notify the Agent of any mandatory prepayment of the Loans pursuant to subsection 2.9(b) hereunder as soon as practicable. The Borrower shall notify the Agent by telephone (confirmed by telecopy) of any prepayment of Swing Loans under Sections 2.9(a) or 2.9(b) not later than 1:00 p.m., Boston, Massachusetts time, on the date of such prepayment, which date shall be a Business Day. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Borrowing (other than a Swing Loan Borrowing), the Agent shall advise the Lenders of the contents thereof.

(e) Prepayments Accompanied by Interest. All prepayments shall be accompanied by accrued interest through the date of prepayment.

2.10 **Fees**.

(a) Unused Fee. The Borrower shall pay to the Agent for the account of each Lender unused fees in respect of the Revolving Credit Commitments, in an aggregate amount equal to the product of (x) the Applicable Unused Fee Rate, multiplied by (y) the daily average unused amounts of the respective Revolving Credit Commitment of such Lender (excluding with respect to the Swing Loan Lender the amount of any Swing Loans) during the period from and including the date on which the Effective Time shall occur to but excluding the date on which the Revolving Credit Commitments terminate; provided, that at any time when the Swing Loan Lender is the only Lender hereunder, the amount of any Swing Loans outstanding shall be applied to reduce the daily average unused amounts of the Revolving Credit Commitment of such Lender for purposes of this Section 2.10(b). Accrued unused fees shall be payable monthly in arrears on the first day of each month and on the date on which the Revolving Credit Commitments terminate. All unused fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Letter of Credit Fees. The Borrower shall pay with respect to Letters of Credit issued hereunder the following fees:

(i) with respect to each standby or documentary Letter of Credit issued hereunder, to the Agent for the accounts of the Revolving Credit Lenders a participation fee with respect to their participations in such Letters of Credit which fee shall accrue at a rate per annum equal to the Applicable Margin then used in determining interest on LIBOR Loans on the average daily amount of such Lender’s LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Date to but excluding the later of the date on which there shall no longer be any Letters of Credit outstanding hereunder, and

(ii) with respect to each documentary or standby Letter of Credit issued hereunder, to the Issuing Lender, a fronting fee equal to 0.25% per annum of the face amount of each Letter of Credit, along with the Issuing Lender’s standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder.

Accrued fees for Letters of Credit shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day), and shall be payable monthly in arrears on the first day of each month and on the date the Revolving Credit Commitments terminate, commencing on the first such date to occur after the date hereof, provided that any such fees accruing after the date on which the Revolving Credit Commitments terminate shall be payable on demand.

(c) The Borrower agrees to pay to the Agent, for its own account, fees payable in the amounts and at the times set forth in the Fee Letter and as otherwise separately agreed in writing between the Borrower and the Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds. Fees paid shall not be refundable under any circumstances, absent manifest error in the determination thereof.

2.11 **Increased Costs.**

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or the Issuing Lender; or

(ii) impose on any Lender or the Issuing Lender or the London interbank market any other condition affecting this Agreement or LIBOR Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBOR Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or the Issuing Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Lender reasonably determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Lender's capital or on the capital of such Lender's or the Issuing Lender's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's policies and the policies of such Lender's or the Issuing Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender, or such Lender's or the Issuing Lender's holding company, for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or the Issuing Lender or its holding company, as the case may be, as specified in subsections 2.11(a) or 2.11(b) above shall be delivered to the Borrower and shall be conclusive so long as it reflects a reasonable basis for the calculation of the amounts set forth therein and does not contain any manifest error. The Borrower shall pay such Lender or the Issuing Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to this Section 2.11 shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section 2.11 for any increased costs or reductions incurred more than six months prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is (i) retroactive and (ii) occurred within such six-month period, then the six-month period referred to above may be extended to include the period of retroactive effect thereof, but in no event any period prior to the Restatement Date.

2.12 **Taxes**.

(a) Any and all payments by or on account of any Obligations of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) the Agent, any Lender or the Issuing Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay all Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Agent, each Lender and the Issuing Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.12) paid by the Agent, such Lender or the Issuing Lender, as the case may be (and any penalties, interest and reasonable expenses arising therefrom or with respect thereto during the period prior to the Borrower making the payment demanded under this paragraph (c)), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Lender, or by the Agent on its own behalf or on behalf of a Lender or the Issuing Lender shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of a jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

2.13 **Mitigation Obligations; Replacement of Lenders**

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.11, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.12, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder, or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or 2.12, as the case may be, in the future and (ii) would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.11, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.4, all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Agent and the Issuing Lender, which consents shall not unreasonably be withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (and participations in LC Disbursements), accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.11 or payments required to be made pursuant to Section 2.12, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III

Guarantee by Guarantors

3.1 **The Guarantee**. The Guarantors hereby guarantee to each Lender, the Issuing Lender and the Agent and their respective successors and permitted assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Obligations. The Guarantors hereby further agree that if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Obligations, the Guarantors will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

3.2 **Obligations Unconditional**. The obligations of the Guarantors under Section 3.1 are absolute and unconditional irrespective of the value, genuineness, validity, regularity or enforceability of this Agreement, the other Loan Documents or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 3.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Without limiting the generality of the **[text missing]**

(i) at any time or from time to time, without notice to such Guarantors, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions hereof or of the other Loan Documents or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right hereunder or under the other Loan Documents or any other agreement or instrument referred to herein or therein shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

(iv) any lien or security interest granted to, or in favor of, the Agent, the Issuing Lender or any Lender or Lenders as security for any of the Obligations shall fail to be perfected.

This Guarantee is a guaranty of payment and not of collection. The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Agent, the Issuing Lender or any Lender exhaust any right, power or remedy or proceed against the Borrower hereunder or under the other Loan Documents or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Obligations.

3.3 **Reinstatement**. The obligations of the Guarantors under this Article 3 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Agent, the Issuing Lender and each Lender on demand for all reasonable costs and expenses (including fees and expenses of counsel) incurred by the Agent, any Lender or the Issuing Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

3.4 **Subrogation**. Until such time as the Obligations shall have been indefensibly paid in full, each of the Guarantors hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under the Federal Bankruptcy Code of 1978, as amended) or otherwise by reason of any payment by it pursuant to the provisions of this Article 3 and further agrees with the Borrower for the benefit of each creditor of the Borrower (including, without limitation, the Agent, the Issuing Lender and each Lender) that any such payment by it shall constitute a contribution of capital by such Guarantor to the Borrower.

3.5 **Remedies**. The Guarantors agree that, as between the Guarantors and the Lenders, the Obligations of the Borrower hereunder may be declared to be forthwith due and payable as provided in Section 9.2 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 9.2) for purposes of Section 3.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or such Obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such Obligations being deemed to have become automatically due and payable), such Obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 3.1.

3.6 **Instrument for the Payment of Money**. Each of the Guarantors hereby acknowledges that the guarantee in this Article 3 constitutes an instrument for the payment of money, and consents and agrees that the Agent, the Issuing Lender, or any Lender, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to summary judgment or such other expedited procedure as may be available for a suit on a note or other instrument for the payment of money.

3.7 **Continuing Guarantee**. The guarantee in this Article 3 is a continuing guarantee, and shall apply to all Obligations whenever arising.

3.8 **General Limitation on Amount of Obligations Guaranteed**. In any action or proceeding involving any state or non-U.S. corporate law, or any state or Federal or non-U.S. bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of the Guarantors under Section 3.1 would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 3.1, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by the Guarantors, any Lender, Agent or other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

ARTICLE IV

The Collateral

4.1 **Grant of Security Interest**. As security for due and punctual payment and performance of the Obligations, each Credit Party hereby grants to the Agent for the ratable benefit of the Lenders and the Issuing Lender a continuing security interest in and lien on all tangible and intangible property and assets of such Credit Party, whether now owned or existing or hereafter acquired or arising, together with any and all additions thereto and replacements therefor and proceeds and products thereof (collectively referred to for purposes of this Article 4 as "Collateral"), including without limitation the property described below:

(a) all tangible personal property, including without limitation all present and future goods, inventory (including, without limitation, all merchandise, raw materials, work in process, finished goods and supplies), machinery, equipment, motor vehicles, rolling stock, tools, furniture, fixtures, office supplies, computers, computer software and associated equipment, whether now owned or hereafter acquired, including, without limitation, all tangible personal property used in the operation of the business of such Credit Party;

(b) all rights under all present and future authorizations, permits, licenses and franchises issued, granted or licensed to such Credit Party for the operation of its business;

(c) all Patents of such Credit Party;

(d) all Trademarks of such Credit Party;

(e) all Copyrights of such Credit Party;

(f) the entire goodwill of business of such Credit Party and all other general intangibles (including know-how, trade secrets, customer lists, proprietary information, inventions, domain names, methods, procedures and formulae) connected with the use of and symbolized by any Patents, Trademarks or Copyrights of such Credit Party;

(g) all rights under all present and future vendor or customer contracts and all franchise, distribution, design, consulting, construction, engineering, management and advertising and related agreements;

(h) all rights under all present and future leases of real and personal property; and all other personal property, including, without limitation, all present and future accounts, accounts receivable, cash, cash equivalents, deposits, deposit accounts, loss carry back, tax refunds, insurance proceeds, premiums, rebates and refunds, choses in action, investment property, securities, partnership interests, limited liability company interests, contracts, contract rights, general intangibles (including without limitation, all customer and advertiser mailing lists, intellectual property, patents, copyrights, trademarks, trade secrets, trade names, domain names, goodwill, customer lists, advertiser lists, catalogs and other printed materials, publications, indexes, lists, data and other documents and papers relating thereto, blueprints, designs, charts, and research and development, whether on paper, recorded electronically or otherwise), all websites (including without limitation, all content, HTML documents, audiovisual material, software, data, hardware, access lines, connections, copyrights, trademarks, patents and trade secrets relating to such websites) and domain names, any information stored on any medium, including electronic medium, related to any of the personal property of such Credit Party, all financial books and records and other books and records relating, in any manner, to the business of such Credit Party, all proposals and cost estimates and rights to performance, all instruments and promissory notes, documents and chattel paper, and all debts, obligations and liabilities in whatever form owing to such Credit Party from any person, firm or corporation or any other legal entity, whether now existing or hereafter arising, now or hereafter received by or belonging or owing to such Credit Party; and all guaranties and security therefor, and all letters of credit and other supporting obligations in respect of such debts, obligations and liabilities.

Any of the foregoing terms which are defined in the Uniform Commercial Code shall have the meaning provided in the Uniform Commercial Code, as amended and in effect from time to time, as supplemented and expanded by the foregoing.

The term “Collateral” shall in no event include (a) any Energy Conservation Financing Collateral or (b) any rights under any license or lease, in each case, to the extent (and only to the extent) the grant of a security interest pursuant to this Agreement and the other Loan Documents (i) would invalidate the underlying rights of such Credit Party under such license or lease, (ii) is prohibited by such license or lease, without the consent of any other party thereto, (iii) would give any other party to such license or lease the right to terminate its obligations thereunder, or (iv) is not permitted without consent, unless in each case, all necessary consents to such grant of a security interest have been obtained from the other parties thereto; provided, however, that, notwithstanding the foregoing provisions of this paragraph, (x) the foregoing grant of security interest shall extend to, and the Collateral hereunder shall include, any and all proceeds of any such license or lease to the extent that the assignment or encumbering of such proceeds is not prohibited by applicable law, (y) immediately upon the ineffectiveness, lapse, waiver or termination of any such provision or restriction referred to above in this sentence, the Collateral hereunder shall include, and such Credit Party shall be deemed to have granted a security interest in, all such rights and interests in and to each and every license or lease to which such provision or restriction pertained as if such provision or restriction had never been in effect and (z) the Collateral shall include, and the Credit Party shall be deemed to have granted a security interest in, any of such Credit Party’s rights, interests, licenses or leases and any other rights and assets that would not constitute Collateral if the foregoing provisions of this sentence governed, if and to the extent that the issuer of or other party to such license or lease has consented to such grant or to the extent that any term of any such rights, interests, licenses or leases would be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable law (including any federal, state or foreign bankruptcy, insolvency or similar law).

4.2 **Special Warranties and Covenants of the Credit Parties**. Each Credit Party hereby warrants and covenants to the Agent and the Lenders that:

(a) Such Credit Party has delivered to the Agent a Perfection Certificate in substantially the form of Exhibit C hereto. All information set forth in such Perfection Certificate is true and correct in all material respects and the facts contained in such Perfection Certificate are accurate in all material respects as of the date of this Agreement. Each Credit Party agrees to supplement its Perfection Certificate promptly after obtaining information which would require a material correction or addition to such Perfection Certificate.

(b) No Credit Party will change its jurisdiction of organization, principal or any other place of business, or the location of any Collateral from the locations set forth in the Perfection Certificate delivered by such Credit Party, or make any change in its name or conduct its business operations under any fictitious business name or trade name, without, in any such case, at least fifteen (15) days' prior written notice to the Agent; provided that the inventory of such Credit Party may be in the possession of manufacturers or processors in any jurisdiction in which all necessary UCC financing statements have been filed by the Agent and with respect to which the Agent has received waiver letters from all landlords, warehousemen and processors in form and substance acceptable to the Agent.

(c) Except for Collateral that is obsolete or no longer used in their business, the Credit Parties will keep the Collateral in good order and repair (normal wear excepted) and adequately insured at all times in accordance with the provisions of Section 7.5. The Credit Parties will pay promptly when due all taxes and assessments on the Collateral or for its use or operation, except for taxes and assessments permitted to be contested as provided in Section 7.4. Following the occurrence and during the continuance of an Event of Default, the Agent may at its option discharge any taxes or Liens to which any Collateral is at any time subject (other than Permitted Liens), and may, upon the failure of the Credit Parties to do so in accordance with this Agreement, purchase insurance on any Collateral and pay for the repair, maintenance or preservation thereof, and each Credit Party agrees to reimburse the Agent on demand for any payments or expenses incurred by the Agent or the Lenders pursuant to the foregoing authorization and any unreimbursed amounts shall constitute Obligations for all purposes hereof.

(d) The Agent may at reasonable times request and each Credit Party shall deliver copies of all customer lists and vendor lists.

(e) To the extent, if any, that such Credit Party's signature is required therefor, each Credit Party will promptly execute and deliver to the Agent such financing statements and amendments thereto, certificates and other documents or instruments as may be necessary to enable the Agent to perfect or from time to time renew the security interest granted hereby, including, without limitation, such financing statements and amendments thereto, certificates and other documents as may be necessary to perfect a security interest in any additional Collateral hereafter acquired by such Credit Party or in any replacements or proceeds thereof. Each Credit Party authorizes and appoints the Agent, in case of need, to execute such financing statements, certificates and other documents pertaining to the Agent's security interest in the Collateral in its stead if such Credit Party's signature is required therefor and such Credit Party fails to so execute such documents, with full power of substitution, as such Debtor's attorney in fact. Each Credit Party further agrees that a carbon, photographic or other reproduction of a security agreement or financing statement is sufficient as a financing statement under this Agreement and the other Loan Documents.

(f) Each Credit Party hereby irrevocably authorizes the Agent, at any time and from time to time, to file in any jurisdiction financing statements and amendments thereto that (i) indicate the Collateral (x) as all assets of such Credit Party or words of similar effect, regardless of whether any particular asset falls within the scope of Article 9 of the Uniform Commercial Code of the Commonwealth of Massachusetts or such jurisdiction or (y) as being of an equal or lesser scope or with greater detail and (ii) which contain any other information required by Article 9 of the Uniform Commercial Code (including Part 5 thereof) for the sufficiency or filing office acceptance of any financing statement or amendment, including whether (A) any Credit Party is an organization, the type of organization and any organization identification number issued to such Credit Party and (B) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Collateral relates. The Credit Parties agree to furnish any such information to the Agent promptly upon reasonable request. Each Credit Party also ratifies its authorization for the Agent to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(g) Each Credit Party agrees that it will join with the Agent in executing and, at its own expense, will file and refile, or permit the Agent to file and refile such financing statements, continuation statements and other documents (including, without limitation, this Agreement and licenses to use software and other property protected by copyright), in such offices (including, without limitation, the PTO, the United States Copyright Office, and appropriate state patent, trademark and copyright offices), as the Agent may reasonably deem necessary or appropriate, wherever required or permitted by law in order to perfect and preserve the rights and interests granted to the Agent in Patents, Trademarks and Copyrights hereunder. Each Credit Party will give the Agent notice of each office at which records of such Credit Party pertaining to all intangible items of Collateral are kept. Except as may be provided in such notice, the records concerning all intangible Collateral are and will be kept at the address shown in the respective Perfection Certificate for such Credit Party as the principal place of business of such Credit Party.

(h) The Credit Parties are the sole and exclusive owners of the websites and domain names listed on Schedule 4.2 hereto and have registered such domain names with the applicable authority for registration of the same which provides for the exclusive use by the Credit Parties of such domain names. The websites do not contain, to the knowledge of the Credit Parties, any material, the publication of which may result in (a) the violation of rights of any person or (b) a right of any person against the publisher or distributor of such material.

(i) The Credit Parties shall, annually by the end of the first calendar quarter following the previous calendar year, provide written notice to the Agent of all applications for registration of Patents, Trademarks or Copyrights, to the extent such applications exist, made during the preceding calendar year. The Credit Parties shall file and prosecute diligently all applications for registration of Patents, Trademarks or Copyrights now or hereafter pending that would be necessary to the business of the Credit Parties to which any such applications pertain, and to do all acts, in any such instance, necessary to preserve and maintain all rights in such registered Patents, Trademarks or Copyrights unless such Patents, Trademarks or Copyrights are not material to the business of the Credit Parties, as reasonably determined by the Credit Parties consistent with prudent and commercially reasonable business practices. Any and all costs and expenses incurred in connection with any such actions shall be borne by the Credit Parties. Except in accordance with prudent and commercially reasonable business practices, the Credit Parties shall not abandon any right to file a Patent, Trademark or Copyright application or any pending Patent, Trademark or Copyright application or any registered Patent, Trademark or Copyright, in each case material to its business, without the consent of the Agent.

(j) The domain name servers used in connection with the domain names of the Credit Parties and all other relevant information pertaining to such domain names, and the administrative contacts used in connection with the registration of such domain names are identified on Schedule 4.2 hereof. No Credit Party will change such domain name servers without 10 days' prior notice to the

Agent. No Credit Party will cause a change in the identity of any domain name administrative contact without 10 days' prior notice to the Agent.

(k) If any Credit Party is, now or at any time hereafter, a beneficiary under a letter of credit in an amount equal to or greater than $100,000, such Credit Party shall promptly notify the Agent thereof and, at the request and option of the Agent, such Credit Party shall, pursuant to an agreement in form and substance satisfactory to the Agent, either (i) arrange for the issuer and any confirmer or other nominated person of such letter of credit to consent to an assignment to the Agent of the proceeds of the letter of credit or (ii) arrange for the Agent to become the transferee beneficiary of the letter of credit, with the Agent agreeing, in each case, that the proceeds of the letter of credit are to be applied by the Agent against the Obligations as provided in this Agreement.

(l) To the extent any Credit Party shall, now or at any time hereafter, hold or acquire any promissory note or other instrument or tangible chattel paper (other than a construction contract entered into by any Credit Party in the ordinary course of such Credit Party's business) in an amount equal to or greater than $100,000, such Credit Party will promptly notify the Lender thereof and, at the request and option of the Lender, such Debtor will deliver such promissory note or other instrument or tangible chattel paper to the Lender to be held as Collateral hereunder, together with an endorsement thereof reasonably satisfactory in form and substance to the Lender.

(m) If, now or at any time hereafter, any Credit Party shall obtain or hold any investment property or electronic chattel paper in an amount equal to or greater than $100,000, such Credit Party will promptly notify the Lender thereof and, at the request and option of the Lender, such Credit Party will take or cause to be taken such steps as the Lender may reasonably request for the Lender to obtain "control" (as provided in Sections 9-105 and 9-106 of the Uniform Commercial Code of the Commonwealth of Massachusetts, as amended and in effect from time to time) of such Collateral.

(n) No Credit Party holds any commercial tort claims, as defined in Article 9 of the Uniform Commercial Code, except as indicated in the Perfection Certificates attached hereto as Exhibit C. If any of the Credit Parties shall at any time acquire a commercial tort claim, such Credit Party shall immediately notify the Lender in a writing signed by such Credit Party of the brief details thereof and grant to the Lender in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Lender.

(o) If any Credit Party has accounts receivable in respect of which the account debtor is located in Minnesota, the Credit Parties represent and warrant that the applicable Credit Party has filed and shall file all legally-required Notice of Business Activities Reports and comparable reports with the appropriate government authorities.

4.3 **Fixtures, etc.** It is the intention of the parties hereto that none of the Collateral shall become fixtures and, except as set forth on Schedule 4.3 attached hereto and except for Collateral which becomes a fixture pursuant to any construction contract entered into by a Credit Party the ordinary course of such Credit Party's business, each Credit Party will take all such reasonable action or actions as may be necessary to prevent any of the Collateral from becoming fixtures. Without limiting the generality of the foregoing, each Credit Party will, if requested by the Agent, use commercially reasonable efforts to obtain waivers of Liens, in form satisfactory to the Agent, from each lessor of real property on which any of the Collateral is or is to be located to the extent requested by the Agent.

4.4 **Right of Agent to Dispose of Collateral, etc**. Upon the occurrence and during the continuance of any Event of Default, but subject to the provisions of the Uniform Commercial Code or other applicable law, in addition to all other rights under applicable law and under the Loan Documents, the Agent shall have the right to take possession of the Collateral and, in addition thereto, the right to enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. The Agent may require the Credit Parties to make the Collateral (to the extent the same is moveable) available to the Agent at a place to be designated by the Agent or transfer any information related to the Collateral to the Agent by electronic medium. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Agent will give the Credit Parties at least ten (10) days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that reasonable notification be given of the time and place of such sale or other disposition.

4.5 **Right of Agent to Use and Operate Collateral, etc.** Upon the occurrence and during the continuance of any Event of Default, subject to the provisions of the Uniform Commercial Code or other applicable law, the Agent shall have the right and power (a) to take possession of all or any part of the Collateral, and to exclude the Credit Parties and all persons claiming under the Credit Parties wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same, and (b) to grant a license to use, or cause to be granted a license to use, any or all of the Patents, Trademarks and Copyrights (in the case of Trademarks, along with the goodwill associated therewith), but subject to the terms of any licenses. Upon any such taking of possession, the Agent may, from time to time, at the expense of the Credit Parties, make all such repairs, replacements, alterations, additions and improvements to and of the Collateral as the Agent may deem proper. In any such case the Agent shall have the right to manage and control the Collateral and to carry on the business and to exercise all rights and powers of the Credit Parties in respect thereto as the Agent shall deem best, including the right to enter into any and all such agreements with respect to the operation of the Collateral or any part thereof as the Agent may see fit; and the Agent shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of holding and operating the Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Agent may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Agent may be required or authorized to make under any provision of this Agreement (including reasonable legal costs and attorneys' fees). The Agent shall apply the remainder of such rents, issues, profits, fees, revenues and other income as provided in Section 4.6.

4.6 **Proceeds of Collateral**. After deducting all reasonable costs and expenses of collection, storage, custody, sale or other disposition and delivery (including reasonable legal costs and attorneys' fees) and all other charges against the Collateral, the Agent shall apply the residue of the proceeds of any such sale or disposition to the Obligations in accordance with the terms hereof and any surplus shall be returned to the Credit Parties or to any Person or party lawfully entitled thereto (including, if applicable, any holders of Subordinated Indebtedness). In the event the proceeds of any sale, lease or other disposition of the Collateral are insufficient to pay all of the Obligations in full, the Credit Parties will be liable for the deficiency, together with interest thereon at the Post-Default Rate, and the cost and expenses of collection of such deficiency, including (to the extent permitted by law), without limitation, reasonable attorneys' fees, expenses and disbursements.

ARTICLE V

Representations and Warranties

Each Credit Party represents and warrants to the Lenders, the Issuing Lender and the Agent, as to itself and each other Credit Party, that:

5.1 **Organization; Powers**. Each Credit Party has been duly formed or organized and is validly existing and in good standing under the laws of its jurisdiction of organization. Each Credit Party has all requisite power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure to have such power or authority or to be so qualified or in good standing, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.2 **Authorization; Enforceability**. The borrowing of the Loans and the grant of security interests pursuant to the Loan Documents are within the power and authority of the Credit Parties and have been duly authorized by all necessary action on the part of the Credit Parties. This Agreement and the other Loan Documents have been duly authorized, executed and delivered by the Credit Parties and constitute legal, valid and binding obligations of the Credit Parties, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.3 **Governmental Approvals; No Conflicts**. The borrowing of the Loans and the grant of the security interests pursuant to the Loan Documents (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority which has not been obtained, except as disclosed on Schedule 5.3, (b) will not violate any applicable law, policy or regulation or the organizational documents of the Credit Parties or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Credit Parties, or any assets, or give rise to a right thereunder to require any payment to be made by the Credit Parties, and such violation or default or right to payment would have a Material Adverse Effect, and (d) except for the Liens created by the Loan Documents, will not result in the creation or imposition of any Lien on any asset of the Credit Parties.

5.4 **Financial Condition; No Material Adverse Change.**

(a) The Credit Parties have heretofore delivered to the Lenders the following financial statements:

(i) the consolidated balance sheets and statements of operations, shareholders' equity and cash flows of the Borrower and all Subsidiaries of the Borrower, as of and for the fiscal years ended December 31, 2005, December 31, 2006 and December 31, 2007, in each case, audited and accompanied by an opinion of the Borrower's independent public accountants;

(ii) the unaudited consolidated balance sheet and statements of operations, shareholders' equity and cash flows of the Borrower and all Subsidiaries of the Borrower and all Subsidiaries of the Borrower, as of and for the fiscal year-to-date period ended March 31, 2008, certified by a Designated Financial Officer that such financial statements fairly present in all material respects the financial condition of the Borrower and all Subsidiaries of the Borrower as at such date and the results of the operations of the Borrower and all Subsidiaries of the Borrower for the period ended on such date and that all such financial statements, including the related schedules and notes thereto have been prepared in all material respects in accordance with GAAP applied consistently throughout the periods involved, except as disclosed on Schedule 5.4; and

(iii) the projected consolidated balance sheets, statements of operations and cash flows for the Borrower and all Subsidiaries of the Borrower on a monthly basis for fiscal year 2008.

Except as disclosed on Schedule 5.4, such financial statements (except for the projections) present fairly, in all material respects, the respective consolidated financial position and results of operations and cash flows of the respective entities as of such respective dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of such unaudited or *pro forma* statements. The projections were prepared by the Borrower in good faith and were based on assumptions that were reasonable when made, it being understood, that actual results during the periods covered thereby may differ from the projected results.

(b) Except as disclosed on Schedule 5.4, since December 31, 2007, there has been no material adverse change in the business, assets, operations or condition, financial or otherwise, of the Credit Parties (taken as a whole) from that set forth in the December 31, 2007 financial statements referred to in clause (ii) of paragraph (a) above.

(c) None of the Credit Parties has on the date hereof any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments in each case that are material and would need to be disclosed on financial statements in accordance with GAAP, except (i) as referred to or reflected or provided for in the financial statements described in this Section 5.4, (ii) as provided for in Schedule 5.4 annexed hereto, or (iii) as otherwise permitted pursuant to this Agreement.

5.5 **Properties.**

(a) Each Credit Party has good and marketable title to, or valid, subsisting and enforceable leasehold interests in, all its Property material to its business. All machinery and equipment of the Credit Parties material to their business is in good operating condition and repair (ordinary wear and tear excepted), and all necessary replacements of and repairs thereto have be made so as to preserve and maintain the value and operating efficiency of such machinery and equipment.

(b) Set forth on Schedule 5.5 hereto is a complete list of all Patents, Trademarks and Copyrights. Each Credit Party owns, or is licensed to use, all Patents, Trademarks and Copyrights and other intellectual property material to its business ("Proprietary Rights"), and to the knowledge of the Borrower, the use thereof by the Credit Parties does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) Schedule 5.5 clearly identifies all Patents, Trademarks and Copyrights that have been duly registered in, filed in or issued by the PTO or the United States Register of Copyrights (collectively, the "Registered Proprietary Rights"). The Registered Proprietary Rights have been properly maintained and renewed in accordance with all applicable provisions of law and administrative regulations in the United States, as applicable. The Credit Parties have taken commercially reasonable steps to protect the Registered Proprietary Rights material to their businesses and to maintain the confidentiality of all Proprietary Rights that are not generally in the public domain.

(d) As of the date hereof, Schedule 5.5 annexed hereto contains a true, accurate and complete list of (i) all Real Property Assets, whether owned or leased, and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Leasehold Property, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Except as specified in Schedule 5.5, each agreement listed in clause (ii) of the immediately preceding sentence is in full force and effect and the Borrower has no knowledge of any default that has occurred and is continuing thereunder, and each such agreement constitutes the legal, valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

5.6 **Litigation and Environmental Matters.**

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Credit Parties, threatened against or affecting any Credit Party as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters set forth in part (a) of Schedule 5.6).

(b) Except for the Disclosed Matters set forth in Schedule 5.6 and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, the Credit Parties (i) have not failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required in connection with the operation of the Credit Parties' business to be in compliance with all applicable Environmental Laws, (ii) have not become subject to any Environmental Liability; (iii) have not received notice of any claim with respect to any Environmental Liability or any inquiry, allegation, notice or other communication from any Governmental Authority which is currently outstanding or pending concerning its compliance with any Environmental Law or (iv) do not know of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

5.7 **Compliance with Laws and Agreements**. Except as set forth on Schedule 5.7, each Credit Party is in compliance with all laws, regulations, policies and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.8 **Investment and Holding Company Status**. No Credit Party is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935, as amended or (c) a "bank holding company" as defined in, or subject to regulation under, the Bank Holding Company Act of 1956, as amended.

5.9 **Taxes**. Except as set forth on Schedule 5.9, each Credit Party has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Credit Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, which reserves shall be acceptable to Agent, or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

5.10 **ERISA**. Except as set forth on Schedule 5.10, no Credit Party has any Pension Plans. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. No Credit Party has a present intention to terminate any Pension Plan with respect to which any Credit Party would incur a cost of more than $100,000 to terminate such Plan, including amounts required to be contributed to fund such Plan on Plan termination and all costs and expenses associated therewith, including without limitation attorneys' and actuaries' fees and expenses in connection with such termination and a reasonable estimate of expenses and settlement or judgment costs and attorneys' fees and expenses in connection with litigation related to such termination.

5.11 **Disclosure**. As of the Effective Time, the Credit Parties have disclosed to the Agent all material agreements, instruments and corporate or other restrictions to which any Credit Party is subject after the Effective Time, and all other matters known to the Credit Parties, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The organizational structure of the Credit Parties is as set forth on Schedule 5.12 annexed hereto. The information, reports, financial statements, exhibits and schedules furnished at or prior to the Effective Time in writing by or on behalf of the Credit Parties to the Agent in connection with the negotiation, preparation or delivery of this Agreement and the other Loan Documents or included herein or therein or delivered pursuant hereto or thereto, at the Effective Time, when taken as a whole do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not materially misleading. All written information furnished after the Effective Time by the Credit Parties to the Agent and/or the Lenders in connection with this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of pro-forma information and projections) prepared in good faith based on assumptions reasonable as of the date when such information is stated or certified. There is no fact known to the Credit Parties that could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Loan Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Agent for use in connection with the transactions contemplated hereby or thereby.

5.12 **Capitalization**. As of the Effective Time, the capital structure and ownership of the Borrower and its Subsidiaries are correctly described on Schedule 5.12. As of the Effective Time, the authorized, issued and outstanding capital stock of the Borrower and each Subsidiary of the Borrower consists of the capital stock described on Schedule 5.12, all of which is duly and validly issued and outstanding, fully paid and nonassessable. Except as set forth on Schedule 5.12, as of the date hereof, (x) there are no outstanding Equity Rights with respect to the Borrower or any Subsidiary of the Borrower and, (y) there are no outstanding obligations of the Borrower or any Subsidiary of the Borrower to repurchase, redeem, or otherwise acquire any shares of capital stock of or other interest in the Borrower or any Subsidiary of the Borrower, nor are there any outstanding obligations of the Borrower or any Subsidiary of the Borrower to make payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market value or equity value of the Borrower or any Subsidiary of the Borrower.

5.13 **Subsidiaries.**

(a) Set forth on Schedule 5.13 is a complete and correct list of all Subsidiaries of the Borrower as of the date hereof, together with, for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding ownership interests in such Subsidiary, (iii) the nature of the ownership interests held by each such Person and the percentage of ownership of such Subsidiary represented by such ownership interests and (iv) a statement with respect to each Subsidiary as to whether such Subsidiary is a Renewable Energy Subsidiary or other Non-Core Energy Subsidiary, a Special Purpose Subsidiary (other than Non-Core Energy Subsidiary), a Foreign Subsidiary, an Inactive Subsidiary, or a Subsidiary engaged in the line of business activity engaged in by the Core Ameresco Group. Except as disclosed in Schedule 5.13, (x) each Credit Party and its respective Subsidiaries owns, free and clear of Liens (other than Liens permitted hereunder), and has the unencumbered right to vote, all outstanding ownership interests in each Person shown to be held by it in Schedule 5.13, (y) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (z) there are no outstanding Equity Rights with respect to such Person.

(b) Except as set forth on Schedule 8.8, as of the date of this Agreement none of the Credit Parties is subject to any indenture, agreement, instrument or other arrangement containing any provision of the type described in Section 8.8 ("Restrictive Agreements"), other than any such provision the effect of which has been unconditionally, irrevocably and permanently waived.

5.14 **Material Indebtedness, Liens and Agreements.**

(a) Schedule 5.14 hereto contains a complete and correct list, as of the date of this Agreement, of all Material Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, any Credit Party the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) $500,000, and the aggregate principal or face amount outstanding or that may become outstanding with respect thereto is correctly described on Schedule 5.14.

(b) Schedule 5.14 hereto is a complete and correct list, as of the date of this Agreement, of each Lien (other than the Liens in favor of the Agent and Lenders) securing Indebtedness of any Person and covering any property of the Credit Parties, and the aggregate Indebtedness secured (or which may be secured) by each such Lien and the Property covered by each such Lien is correctly described in the appropriate part of Schedule 5.14.

(c) Schedule 5.14 hereto is a complete and correct list, as of the date of this Agreement, of each contract and arrangement to which any Credit Party is a party for which breach, nonperformance, cancellation or failure to renew would have a Material Adverse Effect other than purchase orders made in the ordinary course of business and subject to customary terms.

(d) To the extent requested by the Agent, true and complete copies of each agreement listed on the appropriate part of Schedule 5.14 have been delivered to the Agent, together with all amendments, waivers and other modifications thereto. All such agreements are valid, subsisting, in full force and effect, are currently binding and will continue to be binding upon each Credit Party that is a party thereto and, to the best knowledge of the Credit Parties, binding upon the other parties thereto in accordance with their terms. The Credit Parties are not in default under any such agreements, which default could have a Material Adverse Effect.

5.15 **Federal Reserve Regulations**. No Credit Party is engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying margin stock (as defined in Regulation U of the Board). The making of the Loans hereunder, the use of the proceeds thereof as contemplated hereby, and the security arrangements contemplated by the Loan Documents, will not violate or be inconsistent with any of the provisions of Regulations T, U, or X of the Board of Governors of the Federal Reserve System.

5.16 **Solvency**. As of the Effective Time and after giving effect to the initial Loans hereunder and the other transactions contemplated hereby:

(a) the aggregate value of all properties of the Credit Parties at their present fair saleable value on a consolidated, going concern basis (*i.e.*, the amount that may be realized within a reasonable time, considered to be six months to one year, either through collection or sale at the regular market value, conceiving the latter as the amount that could be obtained for such properties within such period by a capable and diligent businessman from an interested buyer who is willing to purchase under ordinary selling conditions), exceeds the amount of all the consolidated debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of the Credit Parties;

(b) the Credit Parties will not, on a consolidated basis, have an unreasonably small capital with which to conduct their business operations as heretofore conducted; and

(c) the Credit Parties will have, on a consolidated basis, sufficient cash flow to enable them to pay their debts as they mature.

5.17 **Force Majeure**. Since December 31, 2007, the business, properties and other assets of the Credit Parties have not been materially and adversely affected in any way as the result of any fire or other casualty, strike, lockout or other labor trouble, embargo, sabotage, confiscation, contamination, riot, civil disturbance, activity of armed forces or act of God.

5.18 **Accounts Receivable**. Unless otherwise indicated to the Agent in writing:

(a) Each account receivable is genuine and in all respects what it purports to be, and it is not evidenced by a judgment;

(b) Except with respect to accounts receivable arising out of project payments under long term contracts, each account receivable arises out of a completed, bona fide sale and delivery of goods or rendition of services by a Credit Party in the ordinary course of its business and in accordance with the terms and conditions of all purchase orders, contracts or other documents relating thereto and forming a part of the contract between such Credit Party and the account debtor, and, in the case of goods, title to the goods has passed from the Credit Party to the account debtor;

(c) Except with respect to accounts receivable arising out of project payments under long term contracts, each account receivable is for a liquidated amount maturing as stated in the duplicate invoice covering such sale or rendition of services, a copy of which has been furnished or is available to the Agent;

(d) Each account receivable is absolutely owing to one of the Credit Parties and is not contingent in any respect or for any reason and the Agent’s security interest therein, is not, and will not (by voluntary act or omission of the Credit Parties) be in the future, subject to any offset, Lien, deduction, defense, dispute, counterclaim or any other adverse condition except for disputes resulting in returned goods where the amount in controversy is deemed by the Agent to be immaterial and Liens arising in the ordinary course of business under applicable law in favor of subcontractors, materialmen and mechanics in respect of work performed in connection with such account receivable; provided that the Credit Parties shall pay all amounts required to be paid to any such subcontractor, materialman or mechanic in accordance with the terms of the agreement relating to such account receiveable;

(e) No Credit Party has made any agreement with any account debtor for any extension, compromise, settlement or modification of any account receivable or any deduction therefrom, except discounts or allowances which are granted by the Credit Parties in the ordinary course of their businesses for prompt payment and which are reflected in the calculation of the net amount of each respective invoice related thereto;

(f) To the best knowledge of the Credit Parties, the account debtor under each account receivable had the capacity to contract at the time any contract or other document giving rise to an account receivable was executed and such account debtor is not insolvent; and

(g) To the best knowledge of the Credit Parties, there are no proceedings or actions which are threatened or pending against any account debtor which might result in any material adverse change in such account debtor's financial condition or the collectability of any account receivable.

5.19 **Labor and Employment Matters.**

(a) Except as set forth on Schedule 5.19 as of the Effective Time, and thereafter with respect to which such would have a Material Adverse Effect, (A) no employee of the Credit Parties is represented by a labor union, no labor union has been certified or recognized as a representative of any such employee, and the Credit Parties do not have any obligation under any collective bargaining agreement or other agreement with any labor union or any obligation to recognize or deal with any labor union, and there are no such contracts or other agreements pertaining to or which determine the terms or conditions of employment of any employee of the Credit Parties; (B) no Credit Party has knowledge of any pending or threatened representation campaigns, elections or proceedings; (C) the Credit Parties do not have knowledge of any strikes, slowdowns or work stoppages of any kind, or threats thereof, and no such activities occurred during the 24-month period preceding the date hereof; and (D) no Credit Party has engaged in, admitted committing or been held to have committed any unfair labor practice.

(b) Except as set forth on Schedule 5.19, the Credit Parties have at all times complied in all material respects, and are in material compliance with, all applicable laws, rules and regulations respecting employment, wages, hours, compensation, benefits, and payment and withholding of taxes in connection with employment.

(c) Except as set forth on Schedule 5.19, except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Credit Parties have at all times complied with, and are in compliance with, all applicable laws, rules and regulations respecting occupational health and safety, whether now existing or subsequently amended or enacted, including, without limitation, the Occupational Safety & Health Act of 1970, 29 U.S.C. Section 651 et seq. and the state analogies thereto, all as amended or superseded from time to time, and any common law doctrine relating to worker health and safety.

5.20 **Bank Accounts**. Schedule 5.20 lists all banks and other financial institutions at which any Credit Party maintains deposits and/or other accounts as of the Restatement Date, and such Schedule correctly identifies the name and address of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number.

5.21 **Matters Relating to the Special Purpose Subsidiaries**. Except for Cost Overrun and Completion Guaranties and Renewable Energy Project Guaranties permitted hereunder, no Credit Party is obligated under any Indebtedness or other obligation of any Special Purpose Subsidiary. The Hawaii Joint Venture does not conduct any business other than the construction and operation of the Hawaii Project.

5.22 **Matters Relating to Inactive Subsidiaries**. No Inactive Subsidiary (i) owns or otherwise holds any property or other assets or (ii) conducts any business.

5.23 **OFAC**. No Credit Party, nor any Subsidiary of any Credit Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order. The regulations and executive orders described in clauses (i) through (iii) of the preceding sentence are referred to herein as "OFAC Regulations".

5.24 **Patriot Act**. The Credit Parties are in compliance, in all material respects, with the (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto (collectively, the "FAC Regulations"), and (ii) the Patriot Act. No part of the proceeds of the Loans will be used, 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 (the "FCPA").

ARTICLE VI

Conditions

6.1 **Effective Time**. The obligations of the Revolving Credit Lenders to make Revolving Loans and of the Issuing Lender to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 11.2):

(a) Counterparts of Agreement. The Agent shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) Notes. The Agent shall have received a duly completed and executed Revolving Credit Note for the account of each Revolving Credit Lender and a duly completed and executed Swing Loan Note in the principal amount of the Swing Loan Commitment for the account of the Swing Loan Lender.

(c) Organizational Structure. The corporate organizational structure, capitalization and ownership of the Borrower and its Subsidiaries shall be as set forth on Schedules 5.12 and 5.13 annexed hereto. The Agent shall have had the opportunity to review, and shall be satisfied with, the Credit Parties' state and federal tax assumptions, and the ownership, capital, organization and structure of the Credit Parties.

(d) Existence and Good Standing. The Agent shall have received such documents and certificates as the Agent or Special Counsel may reasonably request relating to the organization, existence and good standing of each Credit Party, the authorization of the transactions contemplated hereby and any other legal matters relating to the Credit Parties, this Agreement or the other Loan Documents, all in form and substance reasonably satisfactory to the Agent and Special Counsel.

(e) Security Interests in Personal and Mixed Property. The Agent shall have received evidence satisfactory to it that the Credit Parties shall have taken or caused to be taken (or authorized the Agent to take or cause to be taken) all such actions, executed and delivered or caused to be executed and delivered all such agreements, documents and instruments and made or caused to be made all such filings and recordings (other than filings or recordings to be made by the Agent on or after the Restatement Date) that may be necessary or, in the opinion of the Agent, desirable in order to create in favor of the Agent, for the benefit of the Lenders, valid and (upon such filing and recording) perfected First Priority security interests in the entire personal and mixed property Collateral.

(f) Evidence of Insurance. The Agent shall have received certificates from the Credit Parties' insurance brokers that all insurance required to be maintained pursuant to Section 7.5 is in full force and effect and that the Agent on behalf of the Lenders has been named as additional insured or loss payee thereunder to the extent required under Section 7.5.

(g) Necessary Governmental Permits, Licenses and Authorizations and Consents; Etc. The Credit Parties shall have obtained all other permits, licenses, authorizations and consents from all other Governmental Authorities and all consents of other Persons with respect to Material Indebtedness, Liens and material agreements listed on Schedule 5.14 (and so identified thereon) annexed hereto, in each case that are necessary or advisable in connection with the transactions contemplated by the Loan Documents, and each of the foregoing shall be in full force and effect, in each case other than those the failure to obtain or maintain which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No action, request for stay, petition for review or rehearing, reconsideration or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired.

(h) Amendment of Subordinated Note. The Subordinated Note shall have been amended to provide that the maturity date of the Subordinated Note shall occur no earlier than 180 days after the Revolving Credit Maturity Date, and such Subordinated Note, as amended, shall be in form and substance satisfactory to the Agent.

(i) Subordination Agreement. George Sakellaris and each of the Credit Parties shall have executed and delivered to the Agent a Confirmation of and Amendment to Subordination Agreement in form and substance reasonably acceptable to the Agent, confirming the terms of the Subordination Agreement and containing such amendments to the Subordination Agreement as the Agent shall reasonably deem necessary.

(j) Existing Debt; Liens. The Agent shall have received evidence that all principal, interest, and other amounts owing in respect of all Existing Debt of the Credit Parties (other than Indebtedness permitted to remain outstanding in accordance with Section 8.1 hereof) will be repaid in full as of the Effective Time, and that with respect to all Indebtedness permitted to remain outstanding in accordance with Section 8.1 hereof, any defaults or events of default existing as of the Restatement Date with respect to such Indebtedness will be cured or waived immediately following the funding of the initial Loans. The Agent shall have received evidence that as of the Effective Time, the Property of the Credit Parties is not subject to any Liens (other than Liens in favor of the Agent and Liens permitted to remain outstanding in accordance with Section 8.2 hereof).

(k) Financial Statements; Projections. The Agent shall have received the certified financial statements and projections referred to in Section 5.4 hereof and the same shall not be inconsistent with the information previously provided to the Agent.

(l) Solvency Certificate. The Agent shall have received a certificate, dated the Restatement Date and signed by a Designated Financial Officer, substantially in the form of Exhibit I attached hereto.

(m) Financial Officer Certificate. The Agent shall have received a certificate, dated the Restatement Date and signed by a Designated Financial Officer, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 6.2 at the Effective Time.

(n) No Material Adverse Change. There shall have occurred no material adverse change (in the reasonable opinion of the Agent) in the businesses, operations, properties (including tangible properties), or conditions (financial or otherwise), assets, liabilities or income of the Credit Parties.

(o) Opinion of Counsel to Credit Parties. The Agent shall have received favorable written opinions (addressed to the Agent and dated the Restatement Date) of (i) Choate, Hall & Stewart, special counsel to the Credit Parties, substantially in the form of Exhibit I annexed hereto and covering such matters relating to the Credit Parties, this Agreement, the other Loan Documents or the transactions contemplated hereby as the Agent shall reasonably request and (ii) local counsel to the Credit Parties in the following jurisdictions: North Carolina, Nevada, Kentucky, Tennessee, Texas and Ontario, Canada.

(p) Control Agreements. The Credit Parties shall have delivered to the Agent a Control Agreement duly executed by each financial institution at which any Credit Party maintains deposit or other accounts.

(q) Fees and Expenses. The Agent and the Issuing Lender shall have received all reasonable fees and other amounts due and payable to such Person and Special Counsel at or prior to the Effective Time, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(r) Other Documents. The Agent shall have received all material contracts, instruments, opinions, certificates, assurances and other documents as the Agent or any Lender or Special Counsel shall have reasonably requested and the same shall be reasonably satisfactory to each of them.

Without limiting the generality of Section 10.3, for purposes of determining compliance with the conditions specified in this Section 6.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to Effective Time specifying its objection thereto.

6.2 **Each Extension of Credit**. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Lender to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties of each Credit Party set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing, or (as applicable) the date of issuance, amendment, renewal or extension of such Letter of Credit, both before and after giving effect thereto and to the use of the proceeds thereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be or have been true and correct as of such specific date and provided that, to the extent any change in circumstances expressly permitted by this Agreement causes any representation and warranty set forth herein to no longer be true, such representation and warranty shall be deemed modified to reflect such change in circumstances).

(b) No Defaults. At the time of, and immediately after giving effect to, such Borrowing, or (as applicable) the date of issuance, amendment, renewal or extension of such Letter of Credit, no Default under Section 9.1(a)(ii) or Event of Default shall have occurred and be continuing and no Material Adverse Effect shall have occurred or result therefrom.

ARTICLE VII

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Credit Party covenants and agrees with the Agent and the Lenders that:

7.1 **Financial Statements and Other Information**. The Credit Parties will furnish to the Agent and each Lender:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Credit Parties:

(i) consolidated statements of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal year and the related consolidated balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year, setting forth in each case in comparative form the corresponding consolidated figures for the preceding fiscal year; provided that the consolidated statements of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries and the consolidated balance sheets of the Borrower and its Subsidiaries for any such fiscal year shall present separately the results of the Core Ameresco Companies (taken as a whole) for such fiscal year, and

(ii) an opinion of independent certified public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) stating that the consolidated financial statements referred to in the preceding clause (i) fairly present in all material respects the consolidated financial condition and results of operations of the Credit Parties and their Subsidiaries as at the end of, and for, such fiscal year in accordance with GAAP.

(b) as soon as available and in any event within 45 days after the end of each fiscal quarter:

(i) consolidated and consolidating statements of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the respective fiscal year to the end of such fiscal quarter, and the related consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such period, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding period in the preceding fiscal year, and the corresponding figures for the forecasts most recently delivered to the Agent for such period; provided that the consolidated statements of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries and the consolidated balance sheets of the Borrower and its Subsidiaries for any such fiscal period shall present separately the results of the Core Ameresco Companies (taken as a whole) for such fiscal period, and

(ii) a certificate of a Designated Financial Officer, which certificate shall state that said consolidated financial statements referred to in the preceding clause (i) fairly present in all material respects the consolidated financial condition and results of operations of the Borrower and its Subsidiaries and that said consolidating financial statements referred to in the preceding clause (i) fairly present the respective individual unconsolidated financial conditions and results of operations of the Borrower and each Subsidiary, in each case in accordance with GAAP, consistently applied, as at the end of, and for, such period (subject to normal year-end audit adjustments and the omission of footnotes);

(c) as soon as available and in any event within (i) 45 days after the end of each fiscal quarter a Compliance Certificate duly executed by a Designated Financial Officer with respect to the quarterly financial statements delivered pursuant to subsection 7.1(b) above, and (ii) within 120 days after the end of each fiscal year, a Compliance Certificate duly executed by a Designated Financial Officer with respect to the annual financial statements delivered pursuant to subsection 7.1 (a) above, together with, in the case of each of clauses (i) and (ii) of this subsection (c), such supporting financial information with respect to the Core Ameresco Companies as shall be reasonably acceptable to the Agent;

(d) as soon as available and in any event no later than 1:00 p.m. (Boston time) on each day that the Borrower makes any request for any Borrowing hereunder, an Advance Request in the form attached hereto as Exhibit B;

(e) as soon as available and in any event within 60 days after the end of each fiscal year of the Credit Parties, statements of forecasted consolidated and consolidating income and cash flows for the Credit Parties for each fiscal month in such fiscal year and a forecasted consolidated and consolidating balance sheet of the Credit Parties as of the last day of each fiscal month in such fiscal year, together with supporting assumptions which were reasonable when made, all prepared in good faith in reasonable detail and consistent with the Credit Parties' past practices in preparing projections and otherwise reasonably satisfactory in scope to the Agent;

(f) promptly upon receipt thereof, copies of all management letters and accountants' letters received by the Credit Parties; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Credit Parties, or compliance with the terms of this Agreement, as the Agent or any Lender may reasonably request.

Borrower hereby acknowledges that (a) the Agent will make available to the Lenders and the Issuing Lender materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that, to the extent that and, so long as, the Borrower is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities

(w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Borrower shall be deemed to have authorized the Agent, the Issuing Lender and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute confidential information (as described in Section 11.14), they shall be treated as set forth in Section 11.14); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform that is designated "Public Side Information;" and (z) the Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information. Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

7.2 **Notices of Material Events**. The Credit Parties will furnish to the Agent prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Credit Party or Affiliate that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event related to the Plan of any Credit Party or knowledge after due inquiry of any ERISA Event related to a Plan of any other ERISA Affiliate that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Credit Parties in an aggregate amount exceeding $500,000; and

(d) any other development (including, without limitation, any default by a Credit Party under or dispute under a task order or other government contract) that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 7.2 shall be accompanied by a statement of a Designated Financial Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

7.3 **Existence; Conduct of Business**. Each Credit Party shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation, dissolution or any discontinuance or sale of such business permitted under Section 8.4.

7.4 **Payment of Obligations**. Each Credit Party shall pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Credit Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, which reserves shall be acceptable to Agent, and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

7.5 **Maintenance of Properties; Insurance**. Each Credit Party shall (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain insurance, with financially sound and reputable insurance companies, as may be required by law and such other insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, including, without limitation, business interruption insurance. Without limiting the generality of the foregoing, the Credit Parties will maintain or cause to be maintained replacement value casualty insurance on the Collateral under such policies of insurance, in each case with such insurance companies, in such amounts, with such deductibles, and covering such terms and risks as are at all times satisfactory to the Agent in its commercially reasonable judgment. All general liability and other liability policies with respect to the Credit Parties shall name the Agent for the benefit of the Lenders as an additional insured thereunder as its interests may appear, and all business interruption and casualty insurance policy shall contain a loss payable clause or endorsement, satisfactory in form and substance to the Agent that names the Agent for the benefit of the Lenders as the loss payee thereunder. All policies of insurance shall provide for at least 30 days prior written notice to the Agent of any modifications or cancellation of such policy.

7.6 **Books and Records; Inspection Rights**. Each Credit Party shall keep proper books of record and account in which entries are made of all dealings and transactions in relation to its business and activities which fairly record such transactions and activities. Each Credit Party shall permit any representatives designated by the Agent or any Lender to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants as frequently as the Agent deems appropriate provided that, so long as no Default has occurred and is continuing, all such visits shall be on reasonable prior notice, at reasonable times during regular business hours of such Credit Party and, unless a Default shall have occurred and be continuing, shall not occur more than once per year, and provided further that after the occurrence and during the continuance of any Default, the Agent and any of the Lenders may visit at any reasonable time. The Borrower shall reimburse the Agent for all examination and inspections costs, internal costs at the customary rate charged by the Agent plus all out-of-pocket expenses incurred in connection with such inspections, provided that, unless a Default shall have occurred and be continuing, such costs and expenses shall not exceed $7,000 during any period of twelve (12) consecutive months from and after the Restatement Date. The Credit Parties, in consultation with the Agent, will arrange for a meeting to be held at least once every year (and after the occurrence and during the continuance of a Default, more frequently, if requested by the Agent or the Required Lenders) with the Lenders and the Agent hereunder at which the business and operations of the Credit Parties are discussed.

7.7 **Fiscal Year**. To enable the ready and consistent determination of compliance with the covenants set forth in Section 8.10 hereof, the Credit Parties shall maintain their current fiscal year and current method of determining the last day of the first three fiscal quarters in each fiscal year.

7.8 **Compliance with Laws**. Each Credit Party shall comply with (i) all permits, licenses and authorizations, including, without limitation, environmental permits, licenses and authorizations, issued by a Governmental Authority, (ii) all laws, rules, regulations and orders including, without limitation, Environmental Laws, all OFAC Regulations, the Trading with the Enemy Act, the FAC Regulations, the Patriot Act and the FCPA, of any Governmental Authority and (iii) all contractual obligations, in each case applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

7.9 **Use of Proceeds**. The proceeds of the Loans will be used only for (i) the refinancing of existing indebtedness, (ii) fees and expenses incurred in connection with the transactions contemplated by this Agreement, and (iii) for general corporate and working capital purposes of the Credit Parties. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

7.10 **Certain Obligations Respecting Subsidiaries; Additional Guarantors**.

(a) Except as otherwise permitted hereunder, each Credit Party will, and will cause each of its Subsidiaries to, take such action from time to time as shall be necessary to ensure that the percentage of the issued and outstanding shares of capital stock of any class or character owned by it in any Subsidiary on the date hereof is not at any time decreased, other than by reason of transfers to another Credit Party.

(b) Without limiting the obligation of the Borrower to obtain the consent of the Agent in connection with any formation or acquisition of Subsidiaries not otherwise permitted hereunder, in the event that any Person becomes a Subsidiary after the Restatement Date, the Borrower shall promptly (i) notify the Agent of such new Subsidiary and (ii) provide to the Agent the information required by Section 5.13 with respect to such Person. If such Person is engaged in business of the type conducted by the Core Ameresco Domestic Companies, the Borrower shall, within 30 days, cause such Person to (x) become a Guarantor hereunder by delivering to the Agent such joinder documents as the Agent shall reasonably require and (y) deliver to the Agent documents of the types referred to in clauses (d) and (e) of Section 6.1 and, if requested by the Agent in its reasonable discretion, opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (x)), all in form and substance reasonably satisfactory to the Agent.

7.11 **ERISA**. Except where a failure to comply with any of the following, individually or in the aggregate, would not or could not reasonably be expected to result in a Material Adverse Effect, (i) the Credit Parties will maintain, and cause each ERISA Affiliate to maintain, each Plan in compliance with all applicable requirements of ERISA and of the Code and with all applicable rulings and regulations issued under the provisions of ERISA and of the Code and (ii) the Credit Parties will not and, to the extent authorized, will not permit any of the ERISA Affiliates to (a) engage in any transaction with respect to any Plan which would subject any Credit Party to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, (b) fail to make full payment when due of all amounts which, under the provisions of any Plan, any Credit Party or any ERISA Affiliate is required to pay as contributions thereto, or permit to exist any accumulated funding deficiency (as such term is defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, with respect to any Pension Plan or (c) fail to make any payments to any Multiemployer Plan that any Credit Party or any of the ERISA Affiliates may be required to make under any agreement relating to such Multiemployer Plan or any law pertaining thereto.

7.12 **Environmental Matters; Reporting**. The Credit Parties will observe and comply with, and cause each Subsidiary to observe and comply with all Environmental Laws to the extent non-compliance could reasonably be expected to have a Material Adverse Effect. The Credit Parties will give the Agent prompt written notice of any violation as to any Environmental Law by any Credit Party and of the commencement of any judicial or administrative proceeding relating to Environmental Laws (a) in which an adverse result would have a material adverse effect on any operating permits, air emission permits, water discharge permits, hazardous waste permits or other environmental permits held by any Credit Party, or (b) which will, or is likely to, have a Material Adverse Effect on such Credit Party or which will require a material expenditure by such Credit Party to cure any alleged problem or violation.

7.13 **Matters Relating to Additional Real Property Collateral**.

(a) From and after the Effective Time, in the event that any Credit Party acquires any Material Owned Property that the Agent determines is an Additional Mortgaged Property or in the event that the Agent determines that any Real Property Asset has become an Additional Mortgaged Property, the Borrower shall deliver, to the Agent, as soon as practicable after the Agent has notified the Borrower that a Real Property Asset is an Additional Mortgaged Property, fully executed and notarized Mortgages ("Additional Mortgages"), in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering the interest of the applicable Credit Party in such Additional Mortgaged Property, together with mortgagee title insurance policies or commitments therefor, and copies of all surveys, deeds, title exception documents, flood hazard certificates and other documents as the Agent may reasonably require copies of all deeds with respect to such Additional Mortgaged Property.

(b) From and after the Effective Time, in the event that any Credit Party enters into any lease with respect to any Material Leasehold Property, the Borrower shall deliver to the Agent copies of the lease, and all amendments thereto, between the Credit Party and the landlord or tenant, together with a Landlord's Waiver and Consent with respect thereto and where required by the terms of any lease, the consent of the mortgagee, ground lessor or other party.

(c) If requested by the Agent, the Credit Parties shall permit an independent real estate appraiser satisfactory to the Agent, upon reasonable notice, to visit and inspect any Additional Mortgaged Property for the purpose of preparing an appraisal of such Additional Mortgaged Property satisfying the requirements of all applicable laws and regulations (in each case to the extent required under such laws and regulations as determined by the Agent in its sole discretion).

ARTICLE VIII

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Credit Party covenants and agrees with the Agent and the Lenders that:

8.1 **Indebtedness**. The Credit Parties will not, and will not permit any Foreign Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder;

(b) Existing Indebtedness on the Restatement Date which is set forth in Schedule 8.1 and has been designated on such schedule as Indebtedness that will remain outstanding following the funding of the initial Loans, and any extension, renewal, refunding or replacement of any such Indebtedness that does not increase the principal amount thereof;

(c) Intercompany loans among the Core Domestic Ameresco Companies;

(d) other Indebtedness incurred after the Restatement Date (determined on a consolidated basis without duplication in accordance with GAAP) consisting of Capital Lease Obligations and/or secured by Liens permitted under Section 8.2(h), in an aggregate principal amount at any time outstanding not in excess of $1,000,000 less the aggregate outstanding principal amount of Indebtedness incurred pursuant to subsection (n) of this Section 8.1;

(e) Subordinated Indebtedness;

(f) Guarantees permitted under section 8.3;

(g) Indebtedness incurred by any Credit Party under an Energy Conservation Project Financing (including, without limitation, Indebtedness incurred by the Credit Parties under an Energy Conservation Project Financing existing as of the Restatement Date and set forth on Schedule 8.1 attached hereto) in an aggregate principal amount outstanding at any time not in excess of $225,000,000;

(h) Other unsecured Indebtedness in an aggregate principal amount at any time outstanding not in excess of $1,000,000 less the aggregate outstanding principal amount of Indebtedness incurred pursuant to subsection (d) of this Section 8.1;

(i) Indebtedness of the Hawaiian Joint Venture to any Credit Party in an aggregate principal amount not to exceed $1,000,000 outstanding at any time;

(j) Indebtedness of the Canadian Subsidiaries to any Credit Party in an aggregate principal amount not to exceed $5,000,000 outstanding at any time; and

(k) Indebtedness of the Foreign Subsidiaries (other than any Canadian Subsidiary) to any Credit Party in an aggregate principal amount not to exceed $1,000,000 outstanding at any time.

8.2 Liens. The Credit Parties will not, and will not permit any Foreign Subsidiary to, create, incur, assume or permit to exist any Lien on any Property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except (the following being called "Permitted Liens"):

(a) Liens created hereunder or under the other Loan Documents;

(b) any Lien on any property or asset of any Credit Party existing on the date hereof and set forth in Schedule 8.1 (excluding, however, following the making of the initial Loans hereunder, the Liens in favor of any Person other than the Agent securing Indebtedness not designated on said schedule as Indebtedness to remain outstanding following the funding of the initial Loans), provided that (i) such Lien shall not apply to any other property or asset of any Credit Party and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) Liens imposed by any Governmental Authority for taxes, assessments or charges not yet delinquent or (in the case of property taxes and assessments not exceeding $100,000 in the aggregate more than 90 days overdue) which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the applicable Credit Party in accordance with GAAP and which reserves shall be acceptable to the Agent;

(d) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens, and vendors' Liens imposed by statute or common law not securing the repayment of Indebtedness, arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith and by appropriate proceedings and Liens securing judgments (including, without limitation, pre-judgment attachments) but only to the extent for an amount and for a period not resulting in an Event of Default under Section 9.1(j) hereof;

(e) pledges or deposits under worker's compensation, unemployment insurance and other social security legislation and pledges or deposits to secure the performance of bids, tenders, trade contracts (other than for borrowed money), leases (other than capital leases), utility purchase obligations, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of Property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not, in the aggregate, materially detract from the value of the Property of any Credit Party or materially interfere with the ordinary conduct of the business of any Credit Party;

(g) Liens consisting of bankers' liens and rights of setoff, in each case, arising by operation of law, and Liens on documents presented in letter of credit drawings;

(h) Liens on fixed or capital assets, including real or personal property, acquired, constructed or improved by any Credit Party, provided that (A) such Liens secure Indebtedness (including Capital Lease Obligations) permitted by Section 8.1 (d), (B) such Liens and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement or were in effect at the time the Credit Parties acquired the assets or stock, (C) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets, and (D) such security interests shall not apply to any other property or assets of the Credit Parties;

(i) Liens on equity interests of any Special Purpose Subsidiary held by any Credit Party (other than the Hawaii Joint Venture); provided that such Liens do not encumber any other property or assets of any of the Credit Parties; and

(j) Liens on Energy Conservation Financing Collateral in connection with an Energy Conservation Financing and Liens securing Indebtedness permitted under Section 8.1(h); provided that, in each case, such Liens do not encumber any other property or assets of any of the Credit Parties.

8.3 **Contingent Liabilities**. The Credit Parties will not, and will not permit any Foreign Subsidiary to, Guarantee the Indebtedness or other obligations of any Person, or Guarantee the payment of dividends or other distributions upon the stock of, or the earnings of, any Person, except:

(a) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(b) Guarantees and letters of credit in effect on the date hereof which are disclosed in Schedule 8.1, and any replacements thereof in amounts not exceeding such Guarantees;

(c) Guarantees of any Indebtedness permitted under Sections 8.1 (a), (c), (d), (e), (g) and (i);

(d) Guarantees of any Indebtedness permitted under Section 8.1 (b) (other than Indebtedness incurred by any Special Purpose Subsidiary);

(e) obligations in respect of Letters of Credit;

(f) any Construction Completion and Cost Overrun Guaranty delivered by the Borrower in connection with a Renewable Energy Project; and

(g) any Renewable Energy Project Guaranty delivered by the Borrower in connection with a Renewable Energy Project, provided, however that:

(i) one or more of the Core Domestic Ameresco Companies or Renewable Energy Subsidiaries shall control the operation and maintenance of the Renewable Energy Project during the term of the renewable energy purchase agreement with respect to such Renewable Energy Project;

(ii) in connection with any delivery of a Renewable Energy Project Guaranty to a purchaser of landfill gas or energy derived from landfill gas, sunlight, wind or biomass, the credit rating or other credit quality of such purchaser shall be reasonably satisfactory to the Agent;

(iii) in connection with any delivery of a Renewable Energy Project Guaranty to an owner of a landfill or other property used for a Renewable Energy Project, such landfill or other property owner shall have a business reputation reasonably satisfactory to the Agent; and

(iv) in connection with the delivery of any Renewable Energy Project Guaranty, the Borrower shall deliver to the Agent (A) prior to the delivery of such Renewable Energy Project Guaranty, a certificate executed by the Chief Financial Officer of the Borrower certifying (based upon such consultation with the Borrower's independent certified public accountants as the Borrower shall reasonably deem appropriate) that, in accordance with GAAP, such Renewable Energy Project Guaranty will not result in the accrual of a liability upon the consolidated balance sheet of the Core Ameresco Companies for the fiscal period during which such Renewable Energy Project Guaranty is delivered; (B) a copy of such Renewable Energy Project Guaranty and all other documents related thereto; and (C) such other information or reports as the Agent may reasonably request with respect to such Renewable Energy Project Guaranty.

8.4 **Fundamental Changes; Asset Sales**.

(a) No Credit Party will enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). No Credit Party will acquire any business or property from, or capital stock of, or other equity interests in, or be a party to any acquisition of, any Person except for purchases of property to be used in the ordinary course of business, Investments permitted under Section 8.5 and Capital Expenditures. No Credit Party will form or acquire any Subsidiary, other than a Special Purpose Subsidiary, without the express prior written consent of the Agent.

(b) No Credit Party will convey, sell, lease, transfer or otherwise dispose (including any Disposition) of, in one transaction or a series of transactions, any part of its business or property, whether now owned or hereafter acquired (including, without limitation, receivables and leasehold interests, but excluding (x) the sale, transfer, assignment or other disposition of the equity interests of a Special Purpose Subsidiary (other than the Hawaii Joint Venture), (y) other asset sales resulting in aggregate Net Cash Proceeds not to exceed $1,000,000 after the Effective Time) and (z) the sale, transfer, assignment or other disposition of a receivable in connection with an Energy Conservation Project Financing, provided that (i) the Credit Parties may sublease real property to the extent such sublease would not interfere with the operation of the business of the Credit Parties, (ii) any Core Domestic

Ameresco Company may convey, sell, lease, transfer or dispose of its assets or property to any other Core Domestic Ameresco Company, and (iii) any Credit Party or Canadian Subsidiary may convey, sell, transfer or otherwise dispose of a portion of the outstanding capital stock of any other Canadian Subsidiary, so long as no Change of Control shall result therefrom.

(c) Notwithstanding the foregoing provisions of this Section 8.4:

(i) (i) any Credit Party may be merged or combined with or into any other Credit Party (provided that if such merger involves the Borrower, (x) the Borrower shall be the surviving entity and (y) no Change of Control shall occur); and

(ii) any Credit Party may sell, lease, transfer or otherwise dispose of any or all of its property (upon voluntary liquidation or otherwise) to any other Credit Party.

(d) in addition to the formation and acquisition of Special Purpose Subsidiaries permitted pursuant to subsection (a) of this Section 8.4 and subject to Sections 8.1, 8.2, 8.5 and the third sentence of Section 8.4(a), the Credit Parties may acquire all or substantially all of the business and assets of any corporation, partnership, limited liability company, or other entity located in and organized under the laws of the United States or any state thereof ("Permitted Acquisitions"), subject to satisfaction of the following conditions:

(i) with respect to such Permitted Acquisitions, the aggregate purchase price (including, without limitation, any earn-out, non-compete, deferred compensation arrangement or other amounts deferred, financed or withheld in respect of the purchase price for, the amount of any Indebtedness assumed in connection with, and all fees and expenses incurred in connection with, such Permitted Acquisition) shall not exceed (x) $5,000,000 for any single Permitted Acquisition (or series of related Permitted Acquisitions) and (y) $10,000,000 in the aggregate for all Permitted Acquisitions consummated during any fiscal year;

(ii) the business or assets so acquired shall be located in the United States and in the same or a substantially similar line of business as that of the Credit Parties;

(iii) both immediately prior to and after giving effect to such Permitted Acquisition on a pro-forma basis incorporating such pro-forma assumptions as are satisfactory to the Agent in its reasonable discretion, the Credit Parties shall be in compliance with all financial covenants set forth in Section 8.10 hereof and the Borrower shall deliver to the Agent a Compliance Certificate demonstrating such compliance;

(iv) the assets so acquired shall be transferred free and clear of any Liens (other than Liens permitted by Section 8.2) and no debt or liabilities shall be incurred, guaranteed, assumed or combined except to the extent otherwise permitted by Section 8.1;

(v) the Agent shall have received Lien searches reasonably satisfactory to the Lender with respect to the assets being acquired;

(vi) the Agent shall have received perfected Liens (subject only to Liens permitted by Section 8.2) on substantially all of the assets being acquired in such Permitted Acquisition, provided that such Liens shall not be required on any Property if (A) such Liens are prohibited pursuant to any agreement binding on the Person owning such Property and (B) the failure to obtain such Liens is not reasonably likely to have a Material Adverse Effect on the rights of and remedies available to the Lender;

(vii) to the extent requested by the Agent, the Agent shall have received an opinion of counsel in each applicable jurisdiction reasonably satisfactory to it to the effect that the Liens granted pursuant to this Agreement are perfected security interests in such assets and as to such other matters as the Agent may reasonably require;

(viii) in connection with such Permitted Acquisition, the Credit Parties shall deliver to the Agent (A) a copy of the purchase agreement pursuant to which such Permitted Acquisition will be consummated; (B) a copy of each existing material agreement relating to the assets to be acquired in such Permitted Acquisition and which is to be in effect after the consummation of such Permitted Acquisition; (C) a Compliance Certificate calculating compliance (as of the last day of the then most recently ended fiscal quarter) with the covenants set forth in Section 8.10 on a *pro forma* basis, assuming such acquisition had occurred prior to the first day of the earliest fiscal quarter included in the applicable test period for calculating such compliance; (D) the Credit Parties shall use best efforts to provide such other information or reports as the Lender may reasonably request with respect to such Permitted Acquisition; (E) to the extent available to the Credit Parties, historical financial statements (for the prior three fiscal years provided that if such statements are not available for the prior three fiscal years, historical financial statements for not less than the prior four fiscal quarters) of the entity whose assets are being acquired; and (F) if the Borrower is acquiring any interest in real property, and if required by the Agent, reports and other information in form, scope and substance reasonably satisfactory to the Agent and prepared by environmental consultants reasonably satisfactory to the Agent, concerning any environmental hazards or liabilities to which any Credit Party is likely to be subject with respect to such acquired real property;

(ix) immediately prior to such Permitted Acquisition no Default shall have occurred and be continuing and after giving effect to such Permitted Acquisition, no Default shall have occurred and be continuing and no Material Adverse Effect shall result; and

(x) such acquisition shall be consensual and shall have been approved by the board of directors or comparable governing body of the business so acquired.

8.5 **Investments; Hedging Agreements**.

(a) The Credit Parties will not make or permit to remain outstanding any Investment,

(i) Investments consisting of Guarantees permitted by Section 8.3(e) and Indebtedness permitted by Section 8.1, Intercompany Indebtedness among the Core Domestic Ameresco Companies, Intercompany Indebtedness between the Credit Parties and the Hawaii Joint Venture to the extent permitted pursuant to Section 8.1(i), Intercompany Indebtedness between the Credit Parties and the Foreign Subsidiaries to the extent permitted pursuant to Sections 8.1(j) and (k), and capital contributions by any Core Domestic Ameresco Company to any other Core Domestic Ameresco Company;

(ii) Permitted Investments;

(iii) Permitted Acquisitions;

(iv) Investments existing on the Restatement Date and set forth in Schedule 8.5 hereto;

(v) Checking and deposit accounts with banks used in the ordinary course of business maintained with depository institutions that have executed Control Agreements; and

(vi) Investments by the Credit Parties in Renewable Energy Subsidiaries; provided, that at the time of each such Investment and after giving effect thereto, (i) no Event of Default shall have occurred and be continuing and (ii) the Credit Parties shall be in pro forma compliance with all financial covenants set forth in Section 8.10.

(b) The Credit Parties will not enter into any Hedging Agreement, other than as required hereunder and Hedging Agreements entered into in the ordinary course of business with the prior written consent of the Agent to hedge or mitigate risks to which the Credit Parties are exposed in the conduct of their business or the management of their liabilities.

8.6 **Restricted Junior Payments**. The Credit Parties will not declare or make any Restricted Junior Payment at any time; provided, however, that (a) any Subsidiary of any Core Ameresco Company may pay dividends to such Core Ameresco Company; (b) so long as no Default or Event of Default has occurred and is continuing and no Default or Event of Default shall be caused thereby, the Borrower may redeem or purchase (i) the capital stock or Equity Rights of any employee, officer or director of any Credit Party for aggregate cash consideration not to exceed $1,000,000 in any fiscal year and (ii) warrants or other equity interests held by Boston Capital for aggregate cash consideration not in excess of $11,320,000 at any time from and after the Restatement Date; (c) so long as no Default or Event of Default shall have occurred and be continuing and no Default or Event of Default shall be caused thereby, the Borrower may declare and pay cash dividends, provided that (i) such payments shall be made only during the period commencing not earlier than 10 days after and ending not later than 90 days after, the date of delivery of the audited annual financial statements for the previous fiscal year required to be delivered by the Credit Parties pursuant to Section 7.1 (a) hereof, together with the Compliance Certificate required to be delivered pursuant to Section 7.1(c) hereof, and (ii) the Credit Parties shall have delivered to the Agent evidence that after giving effect to such payment, the Credit Parties shall be in projected pro-forma compliance with the financial covenants set forth in Section 8.10 hereof for the period of four fiscal quarters occurring immediately after such payment; and (d) so long as no Default under Section 9.1(a)(ii) or Event of Default shall have occurred and be continuing and no Event of Default shall be caused thereby, the Credit Parties may make regularly scheduled payments of interest but no principal in respect of Subordinated Indebtedness on the dates and in the amounts set forth in the applicable Subordinated Debt Documents.

8.7 **Transactions with Affiliates**. Except as expressly permitted by this Agreement, the Credit Parties will not directly or indirectly (a) make any Investment in an Affiliate; (b) transfer, sell, lease, assign or otherwise dispose of any property to an Affiliate; (c) merge into or consolidate with an Affiliate, or purchase or acquire property from an Affiliate; or (d) enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate); provided that:

(i) any Affiliate who is an individual may serve as a director, officer, employee or consultant of any Credit Party, receive reasonable compensation for his or her services in such capacity and benefit from Permitted Investments to the extent specified in clause (e) of the definition thereof;

(ii) the Credit Parties may engage in and continue the transactions with or for the benefit of Affiliates which are described in Schedule 8.7 or are referred to in Section 8.6 (but only to the extent specified in such section); and

(iii) the Credit Parties may engage in transactions with Affiliates in the ordinary course of business on terms which are no less favorable to the Credit Parties than those likely to be obtained in an arms' length transaction between a Credit Party and a non-affiliated third party.

8.8 **Restrictive Agreements**. The Credit Parties will not directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement (other than this Agreement) that prohibits, restricts or imposes any condition upon (a) the ability of any Credit Party to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Credit Party that is a Subsidiary of another Credit Party to pay dividends or other distributions with respect to any shares of its capital stock or other equity interests or to make or repay loans or advances to any other Credit Party or to Guarantee Indebtedness of any other Credit Party; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 8.8 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of stock or assets of a Subsidiary of a Credit Party pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, and (v) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts (excluding license agreements) restricting the assignment thereof.

8.9 **Sale-Leaseback Transactions**. No Credit Party will directly or indirectly, enter into any arrangements with any Person whereby such Credit Party shall sell or transfer (or request another Person to purchase) any property, real, personal or mixed, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property from any Person.

8.10 **Certain Financial Covenants**.

(a) Minimum Profitability. The Credit Parties shall not permit (i) the quarterly net income of the Core Ameresco Companies (determined on a consolidated basis in accordance with GAAP) for any two consecutive fiscal quarters to be less than $1, and (ii) the aggregate net income of the Core Ameresco Companies (determined on a consolidated basis in accordance with GAAP) for any period of four consecutive fiscal quarters to be less than $1.

(b) Tangible Capital Base. The Credit Parties shall not permit the Tangible Capital Base as of (i) the end of each fiscal quarter ending during the period commencing on the Restatement Date and ending on September 30, 2008 to be less than $15,000,000, (ii) the end of each fiscal quarter ending during the period commencing on October 1, 2008 and ending on December 31, 2008 to be less than $20,000,000, and (iii) the end of each fiscal quarter thereafter, to be less than the minimum Tangible Capital Base required to be satisfied by the Core Ameresco Companies as of the last day of the fiscal year most recently ended plus 25% of the net income (without reduction for losses) of the Core Ameresco Companies (determined on a consolidated basis without duplication in accordance with GAAP) for the fiscal year most recently ended.

(c) Minimum EBITDA. The Credit Parties shall not permit EBITDA of the Core Ameresco Companies for any period of four consecutive fiscal quarters to be less than $20,000,000.

(d) Total Funded Debt to EBITDA Ratio. The Credit Parties shall not permit the ratio of (a) Total Funded Debt of the Core Ameresco Companies at any time to (b) EBITDA of the Core Ameresco Companies for the period of four consecutive fiscal quarters most recently ended prior to such time, to exceed 2.00 to 1.00.

(e) Debt Service Coverage Ratio. The Credit Parties shall not permit the ratio of (a) Cash Flow of the Core Ameresco Companies at any time for the period of four fiscal quarters most recently ended prior to such time, to (b) Debt Service of the Core Ameresco Companies for such period of four fiscal quarters, to be less than 1.50 to 1.00.

8.11 **Lines of Business**. The Credit Parties and all Subsidiaries of the Credit Parties will not engage to any substantial extent in any line or lines of business activity other than (i) the types of businesses engaged in by the Credit Parties as of the Effective Time and businesses substantially related thereto, and (ii) such other lines of business as may be consented to by the Required Lenders and the Agent, which consents shall not be unreasonably withheld or delayed. The Non-Core Energy Subsidiaries shall not engage in any line or lines of business activity other than the construction and operation of Non-Core Energy Projects. None of the Funding Subsidiaries shall engage in any line or lines of business activity other than business activities resulting from or permitted pursuant to the Huntington Beach Receivables Financing. The Hawaii Joint Venture shall not engage in any line or lines of business activity other than the construction and operation of the Hawaii Project.

8.12 **Other Indebtedness**. The Credit Parties will not purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of any Subordinated Indebtedness, except, to the extent permitted by Section 8.6.

8.13 **Modifications of Certain Documents**. The Credit Parties will not consent to any modification, supplement or waiver of any of the provisions of any documents or agreements evidencing or governing any Subordinated Indebtedness or any other Existing Debt.

8.14 **Transactions with Foreign Subsidiaries, Special Purpose Subsidiaries and Inactive Subsidiaries**. Except as expressly permitted under this Agreement, no Credit Party shall take any of the following actions: (a) make any loan, advance or investment in or to a Foreign Subsidiary, Special Purpose Subsidiary or an Inactive Subsidiary; (b) transfer, sell, lease, assign, or otherwise dispose of any property to a Foreign Subsidiary, Special Purpose Subsidiary or an Inactive Subsidiary; (c) merge into or consolidate with a Foreign Subsidiary, Special Purpose Subsidiary or an Inactive Subsidiary; or (d) enter into any other transaction directly or indirectly with or for the benefit of a Foreign Subsidiary, Special Purpose Subsidiary or an Inactive Subsidiary.

ARTICLE IX

Events of Default

9.1 **Events of Default**. The occurrence of any of the following events shall be deemed to constitute an "Event of Default" hereunder:

(a) the Credit Parties shall fail to pay to the Agent, the Issuing Lender, or the Lenders, (i) any principal of any Loan when the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by acceleration of such due or prepayment date, or otherwise or (ii) any interest or fees in respect of any Loan or any Reimbursement Obligation in respect of any LC Disbursement or any other Obligation of the Credit Parties to the Agent, the Issuing Lender, or the Lenders within three (3) Business Days after the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by acceleration of such due or prepayment date, or otherwise;

(b) any representation or warranty made or deemed made by or on behalf of any Credit Party or any Subsidiary in or in connection with this Agreement, any of the other Loan Documents or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any of the other Loan Documents or any amendment or modification hereof or thereof, shall prove to have been incorrect in any material respect when made or deemed made;

(c) the Credit Parties (i) shall fail to observe or perform any covenant, condition or agreement contained in Sections 7.1, 7.2, 7.5, 7.6, 7.8, 7.9, 7.10, 7.12, 7.14, or in Article 8 (it being expressly acknowledged and agreed that any Event of Default resulting from the failure of the Credit Parties at any measurement date to satisfy any financial covenant set forth in Section 8.10 shall not be deemed to be "cured" or remedied by the Credit Parties' satisfaction of such financial covenant at any subsequent measurement date) or (ii) shall fail to observe or perform any other covenant, condition or agreement contained in Sections 7.3, 7.4, 7.7, 7.11, or 7.13 and such failure described in this clause (ii) shall continue unremedied for a period of 30 days after the earlier of (x) actual knowledge by an officer of any Credit Party or (y) notice thereof from the Agent (given at the request of any Lender) to the Credit Parties;

(d) the Credit Parties shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clauses (a), (b) or (c) of this Section 9.1) or any other Loan Document, and such failure shall continue unremedied for a period of 30 days after notice thereof from the Agent (at the request of any Lender) to the Credit Parties;

(e) the Credit Parties shall fail to make any payment (whether of principal, interest or otherwise and regardless of amount) in respect of any Material Indebtedness or any Material Rental Obligation, when and as the same shall become due and payable, after giving effect to any grace period with respect thereto;

(f) any event or condition occurs that results in (i) any Material Indebtedness of any Credit Party becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, or (ii) the lease with respect to any Material Rental Obligation of any Credit Party being terminated prior to its scheduled expiration date or that enables or permits (with or without the giving of notice, the lapse of time or both) the counterparty to such lease to cause such lease to be terminated prior to its scheduled expiration date;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Credit Party or any Material Canadian Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any Material Canadian Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Credit Party or any Material Canadian Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any Material Canadian Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i) any Credit Party or any Material Canadian Subsidiary shall become unable, admit in writing or fail generally to pay its debts as they become due;

(j) a final judgment or judgments for the payment of money (x) in excess of $1,000,000 in the aggregate (exclusive of judgment amounts fully covered by insurance where the insurer has admitted liability in respect of such judgment) or (y) in excess of $2,500,000 in the aggregate (regardless of insurance coverage), shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against any Credit Party and the same shall not be discharged (or provision shall not be made for such discharge), bonded, or a stay of execution thereof shall not be procured, within 60 days from the date of entry thereof and the relevant Credit Party shall not, within said period of 60 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(k) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) there shall occur any Change of Control;

(m) any of the following shall occur: (i) the Liens created hereunder or under the other Loan Documents shall at any time (other than by reason of the Agent relinquishing such Lien) cease in any material respect to constitute valid and perfected Liens on the Collateral intended to be covered thereby; (ii) except for expiration in accordance with its respective terms, any Loan Document shall for whatever reason be terminated, or shall cease to be in full force and effect; or (iii) the enforceability of any Loan Document shall be contested by any Credit Party;

(n) there shall occur any material loss theft, damage or destruction of any Collateral not fully covered (subject to such reasonable deductibles as the Agent shall have approved) by insurance;

(o) any Guarantor shall assert that its obligations under any Loan Document shall be invalid or unenforceable;

(p) the Credit Parties shall become liable for Renewable Energy Project Guaranty Liabilities in an aggregate amount of $5,000,000 or greater, outstanding at any time.

9.2 **Rights and Remedies Upon any Event of Default**. Upon the occurrence of any Event of Default hereunder, then, and in every such event (other than an event described in clause (g) or (h) of Section 9.1), and at any time thereafter during the continuance of such event, the Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) notify the Borrower that the outstanding principal of the Loans shall bear interest at the Post-Default Rate, and thereupon the outstanding principal of the Loans shall bear interest at the Post-Default Rate, (iii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Credit Parties, and (iv) the Agent, the Issuing Lender, and the Lenders may exercise all of the rights as secured party and mortgagee hereunder or under the other Loan Documents; and in case of any event with respect to the Credit Parties or any Subsidiary described in clause (g) or (h) of Section 9.1, the Commitments shall automatically terminate, the principal of the Loans then outstanding shall automatically bear interest at the Post-Default Rate, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations shall automatically become due and payable, and the Borrower shall provide cash collateral in accordance with Section 2.4(h) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Credit Parties, and the Agent, the Issuing Lender, and the Lenders shall be permitted to exercise such rights as secured party and mortgagee hereunder or under the other Loan Documents to the extent permitted by applicable law.

9.3 **Receivership**. Without limiting the generality of the foregoing or limiting in any way the rights of the Agent or the Lenders hereunder or under the other Loan Documents or otherwise under applicable law, at any time after (i) the entire principal balance of any Loan shall have become due and payable (whether at maturity, by acceleration or otherwise) and (ii) the Agent shall have provided to the Borrower not less than ten (10) days' prior written notice of its intention to apply for a receiver, the Agent shall be entitled to apply for and have a receiver appointed under state or federal law by a court of competent jurisdiction in any action taken by the Agent to enforce the Lenders' and the Agent's rights and remedies hereunder and under the other Loan Documents in order to manage, protect, preserve, sell and otherwise dispose of all or any portion of the Collateral and continue the operation of the business of the Credit Parties, and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of the receiver, and to the payment of the Loans and other fees and expenses due hereunder and under the Loan Documents as aforesaid until a sale or other disposition of such Collateral shall be finally made and consummated. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH CREDIT PARTY HEREBY IRREVOCABLY CONSENTS TO AND WAIVES ANY RIGHT TO OBJECT TO OR OTHERWISE CONTEST THE APPOINTMENT OF A RECEIVER AS PROVIDED ABOVE. EACH CREDIT PARTY (I) GRANTS SUCH WAIVER AND CONSENT KNOWINGLY AFTER HAVING DISCUSSED THE IMPLICATIONS THEREOF WITH COUNSEL, (II) ACKNOWLEDGES THAT (A) THE UNCONTESTED RIGHT TO HAVE A RECEIVER APPOINTED FOR THE FOREGOING PURPOSES IS CONSIDERED ESSENTIAL BY AGENT IN CONNECTION WITH THE ENFORCEMENT OF THE LENDERS' AND THE AGENT'S RIGHTS AND REMEDIES HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS, AND (B) THE AVAILABILITY OF SUCH APPOINTMENT AS A REMEDY UNDER THE FOREGOING CIRCUMSTANCES WAS A MATERIAL FACTOR IN INDUCING THE LENDERS TO MAKE THE LOANS TO THE BORROWER; AND (III) AGREES TO ENTER INTO ANY AND ALL STIPULATIONS IN ANY LEGAL ACTIONS, OR AGREEMENTS OR OTHER INSTRUMENTS IN CONNECTION WITH THE FOREGOING AND TO COOPERATE FULLY WITH THE AGENT AND THE LENDERS IN CONNECTION WITH THE ASSUMPTION AND EXERCISE OF CONTROL BY THE RECEIVER OVER ALL OR ANY PORTION OF THE COLLATERAL. THE LENDERS AND AGENT ACKNOWLEDGE AND AGREE THAT NOTHING IN THIS SECTION 9.3 SHALL BE DEEMED TO CONSTITUTE A WAIVER OF THE RIGHT OF CREDIT PARTIES TO FILE FOR PROTECTION UNDER TITLE 11 OF THE UNITED STATES CODE AT ANY TIME.

ARTICLE X

The Agent

10.1 **Appointment and Authorization.**

(a) Each of the Lenders and the Issuing Lender hereby irrevocably appoints the Agent as its agent and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article X are solely for the benefit of the Agent, the Lenders and the Issuing Lender, and, except with respect to Section 10.6, neither the Borrower nor any Credit Party shall have rights as a third party beneficiary of any such provisions.

(b) The Agent shall also act as the "collateral agent" under the Loan Documents and each of the Lenders and the Issuing Lender hereby irrevocably appoints and authorizes the Agent to act as the agent of such Lender and the Issuing Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Agent pursuant to Section 10.5 or otherwise for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted hereunder or under any other Loan Document, or for exercising any rights and remedies thereunder at the direction of the Agent), shall be entitled to the benefits of all provisions of this Article X and Article XI, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents as if set forth in full herein with respect thereto.

10.2 **Agent's Rights as Lender**. The Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

10.3 **Duties As Expressly Stated**. Neither the Agent nor the Issuing Lender shall have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) neither the Agent nor the Issuing Lender shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither the Agent nor the Issuing Lender shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by this Agreement and the other Loan Documents that the Agent or Issuing Lender is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as is required hereunder with respect to such action) and (c) except as expressly set forth herein and in the other Loan Documents, neither the Agent nor the Issuing Lender shall have any duty to disclose, or shall be liable for the failure to disclose, any information relating to any Credit Party or any of their respective Subsidiaries that is communicated to or obtained by the financial institution serving as the Agent or the Issuing Lender or any of its Affiliates in any capacity. Neither the Agent nor the Issuing Lender shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is required hereunder with respect to such action) or all of the Lenders if expressly required, or in the absence of its own gross negligence or willful misconduct. Neither the Agent nor the Issuing Lender shall be deemed to have knowledge of any Default other than a Default of the types specified in Section 9.1 (a) unless and until written notice thereof is given to the Agent or the Issuing Lender by the Borrower or a Lender, and the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in, or in connection with, this Agreement or the other Loan Documents, (ii) the contents of any certificate, report or other document delivered hereunder or under any of the other Loan Documents or in connection herewith of therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, the other Loan Documents or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 6 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent or the Issuing Lender. Neither the Agent nor the Issuing Lender shall, except to the extent the Agent expressly instructed by the Required Lenders with respect to collateral security hereunder and under the other Loan Documents, be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Loan Document; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to the Loan Documents or applicable law.

10.4 **Reliance By Agent**. The Agent and the Issuing Lender shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Agent and the Issuing Lender also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Agent and the Issuing Lender may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Agent and the Issuing Lender shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action (it being understood that this provision shall not release the Agent from performing any action with respect to the Borrower expressly required to be performed by it pursuant to the terms hereof) under this Agreement. The Agent and the Issuing Lender shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

10.5 **Action Through Sub-Agents**. The Agent and the Issuing Lender may perform any and all of its duties, and exercise its rights and powers, by or through any one or more sub-agents appointed by the Agent or the Issuing Lender. The Agent and the Issuing Lender and any such sub-agent may perform any and all its duties and exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agent and the Issuing Lender and any such sub-agent, and shall apply to its activities in connection with the syndication of the credit facilities provided for herein as well as activities of the Agent or the Issuing Lender.

10.6 **Resignation of Agent and Appointment of Successor Agent**. Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, the Agent may resign at any time by notifying the Lenders, the Issuing Lender and the Credit Parties. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Credit Parties, to appoint a successor

Agent. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Lender, appoint a successor Agent, which shall be a bank with an office in Boston, Massachusetts or New York, New York, or an Affiliate of any such bank. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.3 shall continue in effect for the benefit of such retiring Agent, its sub- agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

Any resignation by Bank of America as Agent pursuant to this Section shall also constitute its resignation as Issuing Lender and Swing Loan Lender. Upon the acceptance of a successor's appointment as Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender and Swing Loan Lender, (b) the retiring Issuing Lender and Swing Loan Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Lender shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuing Lender to effectively assume the obligations of the retiring Issuing Lender with respect to such Letters of Credit.

10.7 **Lenders' Independent Decisions**. Each Lender acknowledges that it has, independently and without reliance upon the Agent, the Issuing Lender or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, the Issuing Lender or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement and the other Loan Documents, any related agreement or any document furnished hereunder or thereunder. Except as explicitly provided herein, neither the Agent nor the Issuing Lender has any duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect to such operations, business, property, condition or creditworthiness, whether such information comes into its possession on or before the first Event of Default or at any time thereafter. Neither the Agent nor the Issuing Lender shall be deemed a trustee or other fiduciary on behalf of any party.

10.8 **Indemnification**. Each Lender agrees to indemnify and hold harmless the Agent and the Issuing Lender (to the extent not reimbursed under Section 11.3, but without limiting the obligations of the Borrower under Section 11.3), ratably in accordance with the aggregate principal amount of the respective Commitments of and/or Loans and Total LC Exposure held by the Lenders (or, if all of the Commitments shall have been terminated or expired, ratably in accordance with the aggregate outstanding amount of the Loans and Total LC Exposure held by the Lenders), for any and all liabilities (including pursuant to any Environmental Law), obligations, losses, damages, penalties, actions, judgments, deficiencies, suits, costs, expenses (including reasonable attorney's fees) or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Agent or the Issuing Lender (including by any Lender) arising out of or by reason of any investigation in or in any way relating to or arising out of any Loan Document or any other documents contemplated by or referred to therein for any action taken or omitted to be taken by the Agent or the Issuing Lender under or in respect of any of the Loan Documents or other such documents or the transactions contemplated thereby (including the costs and expenses that the Borrower is obligated to pay under Section 11.3, but excluding, unless a Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents; provided, however, that no Lender shall be liable for any of the foregoing to the extent they are determined by a court of competent jurisdiction in a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the party to be indemnified. The agreements set forth in this Section 10.8 shall survive the payment of all Loans and other obligations hereunder and shall be in addition to and not in lieu of any other indemnification agreements contained in any other Loan Document.

10.9 **No Other Duties, Etc.** Anything herein to the contrary notwithstanding, no Lender holding a title listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Agent, a Lender or the Issuing Lender hereunder.

10.10 **Agent May File Proofs of Claim**. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Agent (irrespective of whether the principal of any Loan or Reimbursement Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise.

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Reimbursement Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders, the Issuing Lender and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lender and the Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lender and the Agent under Sections 2.10 and 11.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lender, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.10 and 11.3. Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender or the Issuing Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the Issuing Lender or to authorize the Agent to vote in respect of the claim of any Lender or the Issuing Lender in any such proceeding.

10.11 **Guaranty Matters**. Each Lender and the Issuing Lender hereby irrevocably authorizes the Agent, at its option and in its discretion, to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder. Upon request by the Agent at any time, each Lender and the Issuing Lender will confirm in writing the Agent’s authority to release any Guarantor from its obligations under the Guaranty pursuant to this Section 10.11.

10.12 **Collateral Matters**.

(a) Each Lender and the Issuing Lender hereby irrevocably authorizes and directs the Agent to enter into the Collateral Documents for the benefit of such Lender and the Issuing Lender. Each Lender and the Issuing Lender hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth in Section 11.2, any action taken by the Required Lenders, in accordance with the provisions of this Agreement or the Collateral Documents, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of Lenders and the Issuing Lender. The Agent is hereby authorized (but not obligated) on behalf of all of Lenders and the Issuing Lender, without the necessity of any notice to or further consent from any Lender or the Issuing Lender from time to time prior to, an Event of Default, to take any action with respect to any Collateral or Collateral Documents which may be necessary to perfect and maintain perfected the Liens upon the Collateral granted pursuant to the Collateral Documents.

(b) Each Lender and the Issuing Lender hereby irrevocably authorize the Agent, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by the Agent under any Loan Document (A) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to Agent and the Issuing Lender shall have been made), (B) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, (C) that is sold, transferred, assigned, financed or otherwise disposed of in connection with an Energy Conservation Project or Renewable Energy Project, (D) subject to Section 11.2, if approved, authorized or ratified in writing by the Required Lenders, (E) in connection with any foreclosure sale or other disposition of Collateral after the occurrence of an Event of Default or (F) as otherwise provided under Section 11.13; and

(ii) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Lien on such property that is permitted by this Agreement or any other Loan Document.

Upon request by the Agent at any time, each Lender and the Issuing Lender will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of Collateral pursuant to this Section 10.12.

(c) Subject to (b) above, the Agent is hereby irrevocably authorized by each Lender and the Issuing Lender, to execute such documents as may be necessary to evidence the release or subordination of the Liens granted to the Agent for the benefit of the Agent, the Lenders and the Issuing Lender herein or pursuant hereto upon the applicable Collateral; provided that (i) the Agent shall not be required to execute any such document on terms which, in the Agent's opinion, would expose the Agent to or create any liability or entail any consequence other than the release or subordination of such Liens without recourse or warranty and (ii) such release or subordination shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of the Borrower or any other Credit Party in respect of) all interests retained by the Borrower or any other Credit Party, including the proceeds of the sale, all of which shall continue to constitute part of the Collateral. In the event of any sale or transfer of Collateral, or any foreclosure with respect to any of the Collateral, the Agent shall be authorized to deduct all expenses reasonably incurred by the Agent from the proceeds of any such sale, transfer or foreclosure.

(d) The Agent shall have no obligation whatsoever to any Lender, the Issuing Lender or any other Person to assure that the Collateral exists or is owned by the Borrower or any other Credit Party or is cared for, protected or insured or that the Liens granted to the Agent herein or in any of the Collateral Documents or pursuant hereto or thereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to Agent in this Section 10.12 or in any of the Collateral Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Agent may act in any manner it may deem appropriate, in its sole discretion, given the Agent's own interest in the Collateral as one of the Lenders and that the Agent shall have no duty or liability whatsoever to the Lenders or the Issuing Lender.

(e) Each Lender and the Issuing Lender hereby appoints each other Lender as agent for the purpose of perfecting the Lenders' and the Issuing Lender's security interest in assets which, in accordance with Article 9 of the UCC can be perfected only by possession. Should any Lender or the Issuing Lender (other than the Agent) obtain possession of any such Collateral, such Lender or the Issuing Lender shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or in accordance with the Agent's instructions.

ARTICLE XI

Miscellaneous

11.1 **Notices**.

(a) Notices, Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telephonic facsimile (fax), as follows and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any Credit Party, to Ameresco, Inc., 111 Speen Street, Suite 410, Framingham, MA 01701, Attention: Chief Financial Officer (Fax no. (508) 661-2201) with a copy to Choate, Hall & Stewart, Two International Place, Boston, Massachusetts 02110, Attention: John F. Ventola (Fax no. ((617) 248-4000);

(ii) if to the Agent, to Bank of America, N.A., 100 Federal Street, Mail Stop MA5-100-07-07, Boston, Massachusetts 02110, Attention: John F. Lynch (Fax no.: (617) 434-4896), with a copy to Edwards Angell Palmer & Dodge, LLP, 111 Huntington Avenue at Prudential Center, Boston, MA 02119, Attention: George Ticknor, Esq. (Fax no. (617) 227-4420); and

(iii) if to any Lender (including Bank of America in its capacity as the Issuing Lender), to it at its address (or fax number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or the Issuing Lender pursuant to Article II if such Lender or the Issuing Lender, as applicable has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the Issuing Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, the Issuing Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Agent, the Issuing Lender and Swing Loan Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Agent, the Issuing Lender and Swing Loan Lender. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Agent, Issuing Lender and Lenders. The Agent, the Issuing Lender and the Lenders shall be entitled to rely and act upon any notices (including telephonic Advance Requests) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Agent, the Issuing Lender, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

11.2 **Waivers; Amendments**.

(a) No failure or delay by the Agent, the Issuing Lender, or the Lenders in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent, the Issuing Lender, and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Credit Party or Subsidiary therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 11.2, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Agent, any Lender or the Issuing Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Agent with the written consent of the Required Lenders and the Agent; provided that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender and the Agent;

(ii) reduce the principal amount of any Loan or Reimbursement Obligation or reduce the rate of interest thereon (other than the decision not to charge, or to cease to charge, Post-Default Interest), or reduce any fees payable hereunder, without the written consent of each Lender affected thereby;

(iii) postpone the scheduled date of payment of the principal amount of any Loan or Reimbursement Obligation other than mandatory prepayments of the Loans required under Section 2.9(b), or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, change the maturity date of any Loan, or postpone the scheduled date of expiration of any Commitment, or extend the ultimate expiration date of any Letter of Credit beyond the Revolving Credit Maturity Date, without the written consent of each Lender affected thereby;

(iv) except as expressly set forth in clause (x) below, change Section 2.9(c) in a manner that would alter the application of prepayments thereunder, or change Section 2.8(b) or

(c) in a manner that would alter the pro rata sharing of payments required thereby, without in each case the written consent of each Lender;

(v) alter the rights or obligations of the Borrower to prepay Loans (other than mandatory prepayments of Loans under Section 2.9(b)) without the written consent of each Lender affected thereby;

(vi) change any of the provisions of this Section 11.2 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or under any other Loan Document or make any determination or grant any consent hereunder or thereunder, without the written consent of each Lender;

(vii) release any of the Guarantors from its obligations in respect of its Guarantee under Article 3 or release any material portion of the Collateral (or terminate any Lien with respect thereto), except as expressly permitted in this Agreement, without the written consent of each Lender;

(viii) waive any of the conditions precedent specified in Section 6.1 without the written consent of each Lender and the Agent; or

(ix) subordinate the Loans to any other Indebtedness, without the written consent of each Lender;

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent, the Swing Loan Lender or the Issuing Lender hereunder without the prior written consent of the Agent, the Swing Loan Lender or the Issuing Lender, as the case may be.

(c) Anything in this Agreement to the contrary notwithstanding, no waiver or modification of any provision of this Agreement that has the effect (either immediately or at some later time) of enabling the Borrower to satisfy a condition precedent to the making of any of Loan shall be effective against all Lender unless the Required Lenders shall have concurred with such waiver or modification.

11.3 **Expenses; Indemnity: Damage Waiver.**

(a) The Credit Parties jointly and severally agree to pay, or reimburse the Agent or the Lenders, as applicable, for paying, (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates, including the reasonable fees, charges and disbursements of Special Counsel, in connection with the syndication of the credit facilities provided for herein, the preparation of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by the Agent, the Issuing Lender, or any Lender, including the fees, charges and disbursements of any counsel for the Agent, the Issuing Lender, or any Lender, in connection with the enforcement or protection of their rights in connection with this Agreement and the other Loan Documents, including their rights under this Section 11.3, or in connection with the Loans made or Letters of Credit issued hereunder, including in connection with any workout, restructuring or negotiations in respect thereof, and (iv) all Other Taxes levied by any Governmental Authority in respect of this Agreement or any of the other Loan Documents or any other document referred to herein or therein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Loan Document or any other document referred to therein.

(b) The Credit Parties jointly and severally agree to indemnify the Agent, the Issuing Lender, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee and settlement costs, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, the other Loan Documents or any agreement or instrument contemplated hereby, the performance by the parties hereto and thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned, leased or operated by any Credit Party or any Subsidiary, or any Environmental Liability related in any way to any Credit Party or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Credit Parties fail to pay any amount required to be paid by them to the Agent under paragraph (a) or (b) of this Section 11.3, each Lender severally agrees to pay to the Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent in its capacity as such. To the extent that the Credit Parties fail to pay any amount required to be paid by them to the Issuing Lender under paragraph (a) or (b) of this Section 11.3, each Revolving Credit Lender severally agrees to pay to the Issuing Lender such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Issuing Lender in its capacity as such.

(d) To the extent permitted by applicable law, none of the Credit Parties shall assert, and each Credit Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section 11.3 shall be payable within ten (10) Business Days after written demand therefor.

(f) The agreements in this Section 11.3 shall survive the resignation of the Agent, the Issuing Lender and the Swing Loan Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

11.4 **Successors and Assigns.**

(a) Successors and Assigns, Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender, the Issuing Lender and the Agent no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Agent, the Issuing Lender, and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts:

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, unless each of Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Loan Lender's rights and obligations in respect of Swing Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of Borrower (such consent not to be unreasonably withheld or delayed) shall be required for any assignment to a Competitor and for any other assignment; provided, that the consent of the Borrower shall not be required in connection with any assignment to a non-Competitor if (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender or an Affiliate of a Lender;

(B) the consent of Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Credit Commitment if such assignment is to a Person that is not a Lender or an Affiliate of such Lender; and

(C) the consent of the Issuing Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding).

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500.00; provided, however, that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to Agent an Administrative Questionnaire.

(v) No Assignment to Borrower. No such assignment shall be made to Borrower or any of Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.11, 2.12 and 11.3 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Agent's office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and Reimbursement Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the

Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person or Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in Reimbursement Obligations and/or Swing Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent, the Issuing Lender and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.2 that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.11 and 2.12 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.8 as though it were a Lender, provided such Participant agrees to be subject to Section 2.8 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.11 or 2.12 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.12 unless Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of Borrower, to comply with Section 2.12(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Resignation as Issuing Lender or Swing Loan Lender. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as Issuing Lender and/or (ii) upon 30 days' notice to the Borrower, resign as Swing Loan Lender. In the event of any such resignation as Issuing Lender or Swing Loan Lender, the Borrower shall be entitled to appoint from among Lenders a successor Issuing Lender or Swing Loan Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Issuing Lender or Swing Loan Lender, as the case may be. If Bank of America resigns as Issuing Lender, it shall retain all the rights, powers, privileges and duties of the Issuing Lender hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuing Lender and all Reimbursement Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.4(c)). If Bank of America resigns as Swing Loan Lender, it shall retain all the rights of Swing Loan Lender provided for hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Swing Loans pursuant to Section 2.6(d). Upon the appointment of a successor Issuing Lender and/or Swing Loan Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender or Swing Loan Lender, as the case may be, and (b) the successor Issuing Lender shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.5 **Survival**. All covenants, agreements, representations and warranties made by the Credit Parties and their Subsidiaries herein and in the other Loan Documents, and in the certificates or other instruments delivered in connection with or pursuant to this Agreement and the other Loan Documents, shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agent, the Issuing Lender or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect so long as the principal of or any accrued interest on any Loan or any fee or any other Obligation payable under this Agreement or the other Loan Documents is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.11, 2.12, and 10.3 and subsection 2.3(g) shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

11.6 **Counterparts; Integration; References to Agreement; Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Agent or its counsel constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Whenever there is a reference in any Loan Document or UCC Financing Statement to the “Credit Agreement” to which the Agent, the Lenders and the Credit Parties are parties, such reference shall be deemed to be made to this Agreement among the parties hereto. Except as provided in Section 6.1, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

11.7 **Severability**. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

11.8 **Right of Setoff**. Each Credit Party hereby grants to the Agent, and each Lender that from time to time maintains any deposit accounts, holds any funds or otherwise becomes indebted to the Credit

Parties a security interest in all deposits (general or special, time or demand, provisional or final) and funds at any time held and other indebtedness at any time owing by the Agent, or any Lender to or for the credit or the account of any Credit Party as security for the Obligations, and the Credit Parties hereby agree that the Agent, and each Lender are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) or other funds at any time held and other indebtedness at any time owing by the Agent, or such Lender to or for the credit or the account of any Credit Party against any and all of the Obligations, irrespective of whether or not the Agent or the Lenders shall have made any demand under this Agreement and although any of the Obligations may be unmatured. The rights of the Agent and each Lender under this Section 11.8 are in addition to any other rights and remedies (including other rights of setoff) which the Agent or any such Lender may have.

11.9 **Subordination by Credit Parties**. The Credit Parties hereby agree that all present and future Indebtedness of any Credit Party to another Credit Party ("Intercompany Indebtedness") shall be subordinate and junior in right of payment and priority to the Obligations, and each Credit Party agrees not to make, demand, accept or receive any payment in respect of any present or future Intercompany Indebtedness, including, without limitation, any payment received through the exercise of any right of setoff, counterclaim or cross claim, or any collateral therefor, unless and until such time as the Obligations shall have been indefeasibly paid in full; provided that, so long as no Default shall have occurred and be continuing and no Default shall be caused thereby, the Credit Parties may make and receive such payments as shall be customary in the ordinary course of the Credit Parties' business. Without in any way limiting the foregoing, in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization, dissolution or other similar proceedings relative to any Credit Party or to its businesses, properties or assets, the Lenders shall be entitled to receive payment in full of all of the Obligations before any Credit Party shall be entitled to receive any payment in respect of any present or future Intercompany Indebtedness.

11.10 **Governing Law; Jurisdiction; Consent to Service of Process**.

(a) This Agreement shall be construed in accordance with and governed by the law of The Commonwealth of Massachusetts.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of The Commonwealth of Massachusetts and of the United States District Court for the District of Massachusetts, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Massachusetts court (or, to the extent permitted by law, in such Federal court). Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Agent, the Issuing Lender, or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Credit Party or any Subsidiary or its properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court referred to in paragraph (b) of this Section 11.10. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. (d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

11.11 **WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.11.

11.12 **Headings**. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

11.13 **Release of Collateral and Guarantees**. The Agent and the Lenders agree that if all of the capital stock of or other equity interests in any Subsidiary that is owned by the Credit Parties is sold to any Person as permitted by the terms of this Agreement and the other Loan Documents, or if any Subsidiary is merged or consolidated with or into any other Person as permitted by the terms of this Agreement and such Subsidiary is not the continuing or surviving corporation, the Agent shall, upon request of the Borrower (and upon the receipt by the Agent of such evidence as the Agent or any Lender may reasonably request to establish that such sale, designation, merger or consolidation is permitted by the terms of this Agreement), terminate the Guarantee of such Subsidiary under Article 3 hereof and authorize the Agent to release the Liens created by the Loan Documents on any capital stock of or other equity interests in such Subsidiary. The Agent and the Lenders further agree that if any task order or contract of any Credit Party shall become Energy Conservation Financing Collateral as permitted by the terms of this Agreement, the Agent shall, upon request by the Borrower (and upon the receipt by the Agent of such evidence as the Agent or any Lender may reasonably request to establish that grant of such security interest in such task orders or contracts in favor of the Energy Conservation Project Financing Agent is permitted by the terms of this Agreement), release the Lien created by the Loan Documents on such Energy Conservation Financing Collateral.

11.14 **Confidentiality**. The Agent, the Issuing Lender and each Lender agrees to keep confidential information obtained by it pursuant hereto and the other Loan Documents confidential in accordance with its customary practices and agrees that it will only use such information in connection with the transactions contemplated by this Agreement and not disclose any of such information other than (a) to the Agent or any Lender, (b) its employees, representatives, directors, attorneys, auditors, agents, professional advisors, trustees or Affiliates who are advised of the confidential nature of such information or to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's __________ that notice of such requirement or order shall be promptly furnished to the Borrower unless such notice is legally prohibited) or requested or required by bank, securities, insurance or investment company regulators or auditors or any administrative body or commission to whose jurisdiction the Agent or such Lender may be subject, (d) to any rating agency to the extent required in connection with any rating to be assigned to such Lender, (e) to assignees or participants or prospective assignees or participants who agree to be bound by the provisions of this Section 11.13, (f) to the extent required in connection with any litigation between any Credit Party and the Agent or any Lender with respect to the Loans or this Agreement and the other Loan Documents or (g) with the Borrower's prior written consent.

11.15 **Payments Set Aside**. To the extent that any payment by or on behalf of the Borrower is made to the Agent, the Issuing Lender or any Lender, or the Agent, the Issuing Lender or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Agent, the Issuing Lender or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the Issuing Lender severally agrees to pay to the Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders and the Issuing Lender under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.16 **No Advisory or Fiduciary Responsibility**. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower and each other Credit Party acknowledges and agrees and acknowledges its Affiliates' understanding that that: (i) (A) the services regarding this Agreement provided by the Agent are arm's-length commercial transactions between the Borrower, each other Credit Party and their respective Affiliates, on the one hand, and the Agent, on the other hand, (B) each of the Borrower and the other Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) the Borrower and each other Credit Party is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agent is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Borrower, any other Credit Party, or any of their respective Affiliates, or any other Person and (B) the Agent does not have any obligation to the Borrower, any other Credit Party or any of their Affiliates with respect to the transaction contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agent and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Credit Parties and their respective Affiliates, and the Agent has no obligation to disclose any of such interests to the Borrower, any other Credit Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and the other Credit Parties hereby waive and release, any claims that it may have against the Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 **Electronic Execution of Assignments and Certain Other Documents**. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

11.18 **USA Patriot Act Notice**. Each Lender that is subject to the Patriot Act (as hereinafter defined) and Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrower shall, promptly following a request by the Agent or any Lender, provide all documentation and other information that the Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER

AMERESCO, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

GUARANTORS

AMERESCO ENERTECH, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

E.THREE CUSTOM ENERGY SOLUTIONS, LLC,
By: Sierra Energy Company, its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

AMERESCOSOLUTIONS, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

AMERESCO PLANERGY HOUSING, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

SOLUTIONS HOLDINGS, LLC
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO FEDERAL SOLUTIONS, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

SIERRA ENERGY COMPANY

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

AMERESCO SELECT, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

AMERESCO HAWAII LLC
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO SOLAR – SOLUTIONS, INC.

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Treasurer

AMERESCO SOLAR-PRODUCTS LLC
By: Ameresco Solar LLC, its sole member
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO SOLAR, LLC
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO SOLAR – TECHNOLOGIES LLC
By: Ameresco Solar LLC, its sole member
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO WOODLAND MEADOWS ROMULUS LLC
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO NORTHAMPTON LLC
By: Ameresco, Inc., its sole member

By: /s/ Andrew B. Spence
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AGENT AND LENDER

BANK OF AMERICA, N.A.,
as Administrative Agent and a Lender

By: /s/ John F. Lynch
Name: John F. Lynch
Title: Senior Vice President

[Signature Page to Amended and Restated Credit and Security Agreement]

SCHEDULE A

BANK OF AMERICA

Bank of America, N.A.

This agreement is made as of this 19 day of October, 2007, by and between each of the undersigned customers (individually and collectively the "Customer") and each of the undersigned banks which maintain a bank account with the Customer (individually and collectively the "Bank").

Customer has requested that Bank provide to Customer the services constituting the Bank "AutoBorrow" program. For and in consideration of the promises contained herein and the performance of obligations specified herein, it is agreed as fellows:

Definitions.

As used herein, the following terms shall have the meaning defined below:

1. **Account**: Customer's Bank demand deposit account number 4602281935 or Customer's substitute or replacement demand deposit account if actually linked to the Line of Credit under the AutoBorrow arrangement established under this Agreement.

2. **Borrowing Increment Amount**: Specified whole dollar amount in which advances of funds shall be made from the Line of Credit to the Account. For purposes of this Agreement, the Borrowing Increment Amount shall be $1.00

3. **Borrowing Target**: The minimum amount of collected funds Customer wishes to maintain in Account; any balance less than the Borrowing Target shall trigger an incremental advance from the Line of Credit if sufficient credit is available, as provided in Step 3, below under "Operation of AutoBorrow." For the purposes of this Agreement, the Borrowing Target shall be $0.00.

4. **Line of Credit**: Line of credit extended to Customer by Bank in the maximum principal amount of $15,000,000.00, as evidenced by a Note dated December 29, 2004, or any lesser amount established under the terms of the borrowing base set forth in the Loan Agreement between the Bank and the Customer dated December 29, 2004, as those documents may be modified, amended, extended or renewed. The term shall also include any line of credit replacing the Line of Credit if the replacement is actually linked to the Account under the AutoBorrow arrangement established under this Agreement.

5. **Repaying Increment Amount**: Specified whole dollar amount in which funds transfers shall be made from the Account to the Line of Credit. For purposes of this Agreement, the Repaying Increment Amount shall be $1.00.

6. **Repaying Target**: The maximum amount of collected funds Customer wishes to maintain in Account; any whole dollar incremental balance in excess of the Repaying Target shall be transferred from the account to pay down the Line of Credit if there exists an outstanding principal balance on the Line of Credit, as provided in Step 2, below under " Operation of AutoBorrow." For purposes of this Agreement, the Repaying Target shall be $0.00.

Operation of AutoBorrow.

Step 1. At the end of each banking day, Bank will determine the collected balance in the Account and the outstanding Line of Credit principal balance.

Step 2. If the collected funds in the Account are in excess of the Repaying Target by an amount at least equal to the Repaying Increment Amount, Bank shall transfer funds in excess of the Repaying Target amount from the Account in multiples of the Repaying Increment Amount up to the amount necessary to pay off the Line of Credit principal balance. Notwithstanding the foregoing, if the amount necessary to pay off the Line of Credit principal balance is leas than the Repaying Increment Amount, Bank shall transfer only from the account the whole dollar amount necessary to pay off the outstanding Line of Credit principal balance.

Step 3. If the collected balance in the Account is less than the Borrowing Target and funds are available under the Line of Credit, Bank shall advance funds from the Line of Credit to the Account in multiples of the Borrowing Increment Amount in order to bring the Account balance up to the Borrowing Target. Notwithstanding the foregoing, if the amount available in the Line of Credit is less than the Borrowing Increment Amount, Bank shall advance available funds, in any whole dollar amount, to the Account.

Confirmations and Statements.

After each funds transfer, Bank will provide to Customer a written confirmation noting the date and amount of each transfer. Customer will also receive a monthly AutoBorrow statement reflecting activity in the Account.

Set Off

Bank is hereby authorized at any time to set off and charge against any deposit account of Customer, as well as any money, instruments, securities, documents, chattel paper, credits, claims, demands, income and any other property, rights and interests of any Customer which at any time shall come into the possession or custody or under the control of Bank or any of its agents, affiliates or correspondents, without notice or demand, any and all obligations due under any document evidencing or securing the Line of Credit.

Related Documents.

This Agreement incorporates by reference each term, condition, representation, and warranty contained in the documents evidencing and securing the Line of Credit including, but not limited to, the Loan Agreement, Note, Borrowing Resolutions, Collateral Pledge Agreement, Security Agreement and other pledges of collateral, and each term, condition, representation, and warranty contained in the Depositor's Agreement, Signature Cards and Corporate Resolutions relating to the Account. To the extent that any such document conflicts with this Agreement, such document controls.

Term and Termination.

This Agreement shall terminate immediately upon expiration or termination of the Line of Credit. Otherwise, termination by Bank shall be effective 30 days after written notice is either hand delivered or sent via certified mail to the Customer's address set forth below. Unless terminated by Bank, this Agreement shall remain in effect until Bank receives written notice of termination from Customer and has been afforded a reasonable opportunity to act on such notice. This Agreement may not be assigned by Customer.

Fees.

Customer agrees to compensate Bank for providing the AutoBorrow services in accordance with the Bank rate schedule, which is subject to change from time to time.

Interest on Account.

Customer authorizes Bank of America, N.A., to debit the Account to pay any interest accrued and owing on the Line of Credit.

Limitation of Liability.

Bank shall not be liable to Customer for failure to perform as contemplated or required by this Agreement unless such failure is the result of the gross negligence or willful misconduct of Bank, its employees, or agents. Bank shall not be liable under any circumstances to Customer or any third party for any failure to perform if the failure is due to conditions beyond the control of Bank, including, but not limited to, strikes, riots, war, military or national emergencies, acts of God, natural disasters, fire, outages of computers or associated equipment, or failure of transportation or communication methods or power supplies. In no event shall Bank be liable for special, indirect, or consequential damages, even if advised of the possibility of such damages.

Arbitration.

Any controversy or claim between or among the parties hereto including but not limited to those arising out of or relating to this instrument, agreement or document or any related instruments, agreements or documents, including any claim based on or arising from an alleged tort, shall be determined by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law), the rules 01 practice and procedure for the arbitration of commercial disputes of J.A.M.S./Endispute or any successor thereof ("J.A.M.S."), and the "special rules" set forth below. In the event of any inconsistency, the "special rules" shall control. Judgment upon any arbitration award may be entered in any court having jurisdiction. Any party to this instrument, agreement, or document may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this agreement applies in any court having jurisdiction over such action.

(i)Special Rules. The arbitration shall be conducted in the county of any borrower's domicile at time of the execution of this instrument, agreement or document and administered by J.A.M.S. who will appoint an arbitrator; if J.A.M.S. is unable or legally precluded from administering the arbitration, then the American Arbitration Association will serve. All arbitration hearing will be commenced within 90 days of the demand for arbitration; further, the arbitrator shall only, upon a showing of cause, be permitted to extend the commencement of such hearing for up to an additional 60 days.

(ii)Reservation of Rights. Nothing in this arbitration provision shall be deemed to (1) limit the applicability of any otherwise applicable statutes of limitation or repose and any waivers contained in this instrument, agreement, or document; or (iii) be a waiver by the Bank of the protection afforded to it by 12 U.S.C. Sec. 91 or any substantially equivalent state law; or (iii) limit the right of the Bank hereto (a) to exercise self help remedies such as (but not limited to) setoff, or (b) to foreclose against any real or personal property collateral, or(c) to obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief, writ of possession or the appointment of a receiver. The Bank may exercise such self help rights, foreclose upon such property, or obtain such provisional or ancillary remedies before, during or after the pendency of any arbitration proceeding brought pursuant to this instrument, agreement or document. Neither this exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies shall constitute a waiver of the right of any party, including the claimant in any such action, to arbitrate the merits of the controversy or claim occasioning resort to such remedies.

Amendments.

This Agreement constitutes the complete understanding of Customer and Bank as to the AutoBorrow services, and specifically excludes all previous written or oral representations. No amendments to this Agreement shall be effective to bind Customer or Bank unless set forth in writing and executed by both Customer and Bank.

Notices.

All written notices, modifications, and amendments shall be provided to Bank at:

Bank of America, N.A.

100 Federal Street

Boston, MA 02110

All written notices, modifications, and amendments shall be provided to Customer at:

Ameresco, Inc.

1ll Speen Street

Framingham MA 01701

Acknowledgment of Authority.

Customer acknowledges that the operation of the AutoBorrow services will permit any person conducting transactions on the Account to have the ability to access the Line of Credit. Customer hereby confirms the authority of each person designated as an authorized signer in resolutions provided to Bank or otherwise authorized, permitted or allowed by Customer to conduct transactions on the Account, to also access and conduct transactions on the Line of Credit through the AutoBorrow services.

Customer also acknowledges that presentation for payment of lost or stolen checks can result in an advance from the Line of Credit. Customer agrees to take all appropriate precautions against such risk, to notify Bank in the event checks are lost or stolen, and to hold Bank harmless and indemnify it if such an event occurs.

Governing Law.

This agreement shall be governed and construed in accordance with the laws of the State of Massachusetts. Customer irrevocably consents and submits to the personal jurisdiction of the state or federal courts in the State of Massachusetts.

Other Terms and Conditions.

1. Multiple Customers; Multiple Banks. If this Agreement is executed by more than one Customer or Bank, this Agreement shall be deemed to be an agreement only between the Customer and the Bank maintaining an Account of the Customer.

Execution.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed this 19 day of October, 2007.

Customer name and signature:

Andrew B. Spence

By: /s/ Andrew B. Spence
(customer signature)

Title: Vice President and CFO

By:

(if second signature required)

Title:

Customer's Address:

Ameresco, Inc
111 Speen St Suite 410
Framingham, MA 01701

Bank of America, N.A.

By: /s/ John F. Lynch
(customer signature)

Name/
Title: Senior Vice President, CPO

SCHEDULE 1.1

Material Owned Properties

None.

SCHEDULE 1.4

Designated Financial Officers

George P. Sakellaris, President
Andrew Spence, Chief Financial Officer
Alan Winkler, Controller

SCHEDULE 2.4

Existing Letters of Credit

None.

SCHEDULE 4.2

Websites and Domain Names

ameresco.com

ameresco.net

amerescopv.com

amerescosolar.com

amerescosolutions.com

energyefficiency.com

betterschoolspartnership.org

betterschoolspartnership.net

betterschoolspartnership.com

selectenergysi.com

ameresco.ca

pvesco.com

southwestpv.com

amerescoaxis.com

Networks Solutions is the administrative contact used in connection with the registration of the domain names.

SCHEDULE 4.3

Fixtures, etc.

1. e.three Custom Energy Solutions, LLC: City Centre Chiller Plant Facility, 128 South Fourth Street, Las Vegas, Nevada 89101.

2. Ameresco Woodland Meadows Romulus LLC: Landfill Gas Recovery Plant, 4620 Hannan Road, Wayne, Michigan 48189.

3. Ameresco Northampton LLC: Containerized Landfill Gas Generation System, 170 Glendale Road, Florence, Massachusetts 01062.

SCHEDULE 5.3

Governmental Approvals; No Conflicts

None.

SCHEDULE 5.4

Financial Condition; No Material Adverse Changes

None.

SCHEDULE 5.5

Properties; Proprietary Rights; Real Property Assets

(b)(c) Patents: None.

Trademarks:

Mark	Country	Regis. No.	Regis. Date
AMERESCO	United States	3241224	05/15/07
AMERESCO and design	United States	3243480	05/22/07
ENFOTRAK	United States	2432771	03/06/01

All other unregistered Trademarks controlled or used by the Credit Parties.

Copyrights: All common law Copyrights controlled by the Credit Parties.

(d) Real Property Assets and Leases:

Leased Properties:

101 Post Road, Anchorage, AK 99516

6633 Brayton Drive, Suite A, Anchorage, AK 99507

610 Wind Song Drive, Anchorage, AK 99516

100 Canyon Park Circle, Suite C, Pelham, AL 35124

2202 West Medtronic Way, Tempe, AZ 85282

8310 S. Valley Highway, 3rd Floor, Englewood, CO 80112

1101 Pennsylvania Avenue, 7th Floor, Washington, DC

2202 N. Westshore Blvd., Ste. 205, Tampa, FL 33607

1900 Spring Road, Suite 400 & 420, Oak Brook, IL

8900 Keystone Crossing, Suite 1075, Indianapolis, IN 46240

6750 Antioch Road, Suite 103, Merriam, KS 66204

9000 Wessex Place, Suite 304, Louisville, KY 40222

125 Johnny Dufren Drive, Unit 102, Mathews, LA 70374

5565 Sterrett Place, Suite 400, Columbia, MD 21044

111 Speen Street, Suite 410, Framingham, MA 01701

48 Union Wharf, Portland, ME 04101

28800 Orchard Lake Road, Farmington Hills, MI 48334

9900 Clayton Road, Ste. E, St. Louis, MO 63117

5200 77 Center Drive, Charlotte, NC 28217

639 Isbell Road, Suite 360, Reno, NV 89509

50 Front Street, Ste. 201, Newburgh, NY 12550

25 Melville Park Road, Melville , NY 11747

9 Cornell Road, Latham, NY 12110

506 East Washington Street, Suite B, Syracuse NY 13020

802 Clare Avenue, Portsmouth, OH 45662

200 E. Campus View Blvd., Suite 218, Columbus, OH 43235

One E. Uwchlan Ave., Ste. 302, Exton, PA 19341

1820 Midpark Dr., Suite B, C & F, Knoxville, TN 37921

1726A General George Patton Drive, Brentwood, TN 37027

7929 Brookriver Drive, Suite 250, Dallas, TX

9801 Westheimer, Houston, TX 77042

212 E. Main, Tomball, TX 77375

217 Texas Street, Tomball, TX 77375

700 Business Center, Suite 1623, Richmond, VA 23219

1330 N. Washington Street, Suite 300, Spokane, WA 99201

Woodland Meadows Landfill 4620 Hannon Road, Wayne, MI 48189

Northampton Landfill 170 Glendale Road, Florence, MA 01062; Easement Agreement

City Centre Chiller Plant 128 South Fourth Street, Las Vegas, NV 89101

Owned Properties: None.

SCHEDULE 5.6

Litigation and Environmental Matters

(a) Action, Suits or Proceedings:

1. Kyocera Solar, Inc. v. David Arrowood and Jane Doe Arrowood, husband and wife, Jeff Brady and Jane Doe Brady, husband and wife, Steve Gildden and Jane Doe Gildden, husband and wife, Rich Griswold and Jane Doe Griswold, husband and wife, David Larche and Jane Doe Larche, husband and wife, Joel Oatman and Jane Doe Oatman, husband and wife, Chris Pinelli and Jane Doe Pinelli, husband and wife, Robert Rallo and Jane Doe Rallo, husband and wife, Robert Rickman and Jane Doe Rickman, husband and wife, Jim Hulme, an individual, Ameresco Solar Products, LLC f/k/a PV Energy Solutions LLC and Ameresco, Inc.

April 2008. Each individual defendant (other than spouses) is employed by the Borrower and was previously employed by the plaintiff. The plaintiff alleges, among other things, that one or more of the individual defendants copied and/or removed files and documents containing the plaintiff's confidential and proprietary information. A forensic computer consultant, at Borrower's expense, has removed such electronic files from all of the Borrower's computers and computer systems and returned such files to the plaintiff. The Borrower has instructed the individual defendants to refrain from using such files and/or putting such files on the Borrower's computers and computer systems. The claim alleges a violation of the Uniform Trade Secrets Act, Intentional Interference with Business Expectancy, Unfair Competition, Conversion, Unjust Enrichment, Aiding and Abetting Misappropriation as to the all of the above defendants. Other claims relating to the individuals are also alleged; however they do not apply to the corporate defendants. The parties entered into a stipulated preliminary injunction May 1, 2008 whereby the defendants agreed to (i) return to the plaintiff all of the plaintiff's confidential and proprietary documentation and (ii) refrain from using or disclosing any of the plaintiff's confidential and/or proprietary documentation or information.

(b) Environmental Liability: None.

SCHEDULE 5.7

Compliance with Laws and Agreements

None.

SCHEDULE 5.9

Taxes

None.

SCHEDULE 5.10

Pension Plans

None.

SCHEDULE 5.12

Capitalization

Ameresco, Inc.
Capital Stock Summary

Type	Buyer	Price	Issued Number of Shares	Treasury Shares	Treasury Shares	Equivalent Number of Shares	Ownership Interest
Preferred Shares	G. P. Sakellaris	$ 1.00	3,000,000			9,000,000	60.93%
Preferred Shares	A. Sakellaris (Consultant)	$ 1.00	150,000			450,000	3.05%
Preferred Shares	A. Winkler	$ 1.00	10,000			30,000	0.20%
Preferred Shares	D. Corrsin	$ 1.00	50,000			150,000	1.02%
Total – Preferred Shares			3,210,000	—	$ —		
Common Stock	G. P. Sakellaris	$0.01667	675,000			675,000	4.57%
Common Stock	S. Byrne (BCIA)	$0.90000	666,667			666,667	4,51%
Common Stock	W. Kremer (BCIA)	$0.90000	666,667			666,667	4.51%
Common Stock			30,000	(30,000)	(52,500)		
Common Stock	A. Sakellaris (Consultant)	$1.75000		100,000	175,000	100,000	0.68%
Common Stock	A. Sakellaris (Consultant)	$1.75000		100,000	175,000	100,000	0.68%
Common Stock	D. Anderson	$0.01670	600,000	(90,000)	(613,800)	510,000	3.45%
Common Stock	D. Corrsin	$0.01670	600,000			600,000	4.06%
Common Stock	K. Devlin Ruggiero	$0.01670	150,000	(25,125)	(171,353)	124,875	0.85%
Common Stock	All Others	$0.01670	3,551,100	(1,852,650)	(2,136,832)	1,698,450	11.50%
Total – Common Shares			6,939,434	(1,797,775)	$ 2,624,484)		100.00%
Equity Rights:							
Warrants for common stock	1,000,000	$ 0.01					
Warrants for common stock	800,000	$ 0.60					
Incentive Stock Options	5,442,750	$ 3.99					
Restricted shares to be vested in October 2009	1,000,000	$ 6.82					

See Schedule 5.13 for capitalization of subsidiaries.

SCHEDULE 5.13

Subsidiaries

LEGAL NAME	ENTITY TYPE	JURISDICTION OF ORGANIZATION	PERSONS HOLDING OWNERSHIP INTERESTS; INTERESTS HELD OR PERCENTAGE HELD	AUTHORIZED SHARES	TYPE OF SUBSIDIARY
Ameresco Enertech, Inc.	corporation	KY	Borrower owns 100% of the issued and outstanding shares; 100 shares	1,000 shares of common stock, no par value	Guarantor
e.three Custom Energy Solutions, LLC	limited liability company	NV	Sierra Energy Company owns 100% of the equity interest	—	Guarantor
Sierra Energy Company	corporation	NV	Borrower owns 100% of the issued and outstanding shares; 1,000 shares	25,000 shares of common stock at $1.00 par value	Guarantor
AmerescoSolutions, Inc.	corporation	NC	Borrower owns 100% of the issued and outstanding shares; 166 shares	1,000 shares of common stock at $100.00 par value	Guarantor
Ameresco Planergy Housing, Inc.	corporation	DE	Borrower owns 100% of the issued and outstanding shares; 1,000 shares	1,000 shares of common stock at $1.00 par value	Guarantor
Solutions Holdings, LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Guarantor
Ameresco Federal Solutions, Inc.	corporation	TN	Solutions Holding, LLC owns 100% of the issued and outstanding shares; 874 shares	100,000 shares of common stock, no par value	Guarantor
Ameresco Select, Inc.	corporation	MA	Borrower owns 100% of the issued and outstanding shares; 100 shares	100 shares of common stock at $1.00 par value	Guarantor
Ameresco Solar — Solutions, Inc.	corporation	TX	Ameresco Solar LLC owns 100% of the issued and outstanding shares; 100,000 shares	250,000 shares of common stock at $25.00 par value	Guarantor
Ameresco Solar — Products LLC	limited liability company	DE	Ameresco Solar LLC owns 100% of the equity interest	—	Guarantor
Ameresco Hawaii LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Guarantor
Ameresco Woodland Meadows Romulus LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Guarantor
Ameresco Northampton LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Guarantor
Ameresco Solar LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Guarantor
Ameresco Solar — Technologies LLC	limited liability company	DE	Ameresco Solar LLC owns 100% of the equity interest	—	Guarantor
Speen Street Holdings I, LLC	limited liability company	DE	Ameresco Huntington Beach, L.L.C. owns 100% of the equity interest	—	Funding Subsidiary
Speen Street Holdings II, LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Funding Subsidiary
Speen Street Holdings III, LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Funding Subsidiary
Speen Street Holdings IV, LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Funding Subsidiary
Ameresco Funding I, LLC	limited liability company	DE	Speen Street Holding I, LLC owns 100% of the equity interest	—	Funding Subsidiary
Ameresco Funding II, LLC	limited liability company	DE	Speen Street Holding II, LLC owns 100% of the equity interest	—	Funding Subsidiary
Ameresco Funding III, LLC	limited liability company	DE	Speen Street Holding III, LLC owns 100% of the equity interest	—	Funding Subsidiary
Ameresco Funding IV, LLC	limited liability company	DE	Speen Street Holding IV, LLC owns 100% of the equity interest	—	Funding Subsidiary
Ameresco Canada Inc.	corporation	Canada	Borrower owns 100% of the issued and outstanding shares; 100 shares	unlimited shares authorized, no par value	Canadian Subsidiary
Ameresco Quebec Inc.	corporation	Quebec	Ameresco Canada Inc. owns 100% of the issued and outstanding shares; 250 shares	unlimited class A voting shares authorized, no par value	Canadian Subsidiary
Ameresco Chiquita Energy LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Palmetto LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco LFG Holdings LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Janesville LLC	limited liability company	DE	Ameresco LFG Holdings LLC holds 100% equity interest	—	Renewable Energy Subsidiary
Ameresco Pine Bluff LLC	limited liability company	DE	Ameresco LFG Holdings LLC holds 100% equity interest	—	Renewable Energy Subsidiary
Ameresco LFG — I, Inc. d/b/a Ameresco Goshen	corporation	DE	Ameresco LFG Holdings LLC owns 100% of issued and outstanding shares; shares	1,000 shares common stock at $0.0001 par value	Renewable Energy Subsidiary
Ameresco Chicopee Energy LLC	limited liability company	DE	Ameresco LFG Holdings LLC owns 100% equity interest	—	Renewable Energy Subsidiary
Ameresco Renewable Energy LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco LFG Holdings II LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Santa Cruz Energy LLC	limited liability company	DE	Ameresco LFG Holdings II LLC owns 100% equity interest	—	Renewable Energy Subsidiary
Ameresco Half Moon Bay LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Delaware Energy LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco McCarty Energy LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Keller Canyon LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Skunk Creek LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Stafford LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Jefferson City LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Pontiac LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Cumberland LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Golden Triangle LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco San Antonio LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Evansville LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Greenridge LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Santa Clara LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary

Ameresco Woodland Meadows LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Renewable Energy Subsidiary
Ameresco Canada Wind Power Inc.	corporation	Canada	Ameresco Canada Inc.owns 100% of the issued and outstanding shares; 100 shares	unlimited shares authorized, no par value	Renewable Energy Subsidiary
Ameresco Colchester 1 Inc.	corporation	Canada	Ameresco Canada Wind Power Inc. owns 100% of the issued and outstanding shares; 100 shares	unlimited shares authorized, no par value	Renewable Energy Subsidiary
Ameresco Mt. Olive LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Inactive Subsidiary
Mount Olive Community Development Fund LLC	limited liability company	DE	Borrower owns 99.9% and Ameresco Mt. Olive LLC owns 0.01% of the equity interest	—	Inactive Subsidiary
Energy Investment, Inc.	corporation	MA	AmerescoSolutions, Inc. owns 100% of the issued and outstanding shares; 250 shares	250,000 shares common stock at $1.00 par value	Inactive Subsidiary
EI Fund One, Inc.	corporation	MA	Energy Investment, Inc. owns 100% of the issued and outstanding shares; 100 shares	300,000 shares common stock at $1.00 par value	Inactive Subsidiary
Ameresco Wind New York LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Inactive Subsidiary
Ameresco MT Wind, LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Inactive Subsidiary
Ameresco Huntington Beach, L.L.C.	limited liability company	DE	Borrower owns 100% of the equity interest	—	Non-Core Energy Subsidiary
Ameresco CT LLC	limited liability company	DE	Borrower owns 100% of the equity interest	—	Non-Core Energy Subsidiary
HEC/Tobyhanna Energy Project, Inc.	limited liability company	MA	Ameresco Select, Inc. owns 100% of the issued and outstanding shares; 100 shares	100 shares of common stock at $1.00 par value	Non-Core Energy Subsidiary
HEC/CJTS Energy Center LLC	limited liability company	DE	Ameresco Select, Inc. owns 100% of the equity interest	—	Non-Core Energy Subsidiary
ERI/HEC EFA-Med, LLC	limited liability company	DE	Ameresco Select, Inc. and NORESCO, LLC each own 50% of the equity interest	50% equity interest	Special Purpose Subsidiary
Ameresco/Pacific Energy JV	general partnership	HI	Ameresco Hawaii LLC owns 99% of the partnership interest and Pacific Energy Strategies LLC owns 1% of the partnership interest	99% partnership interest	Special Purpose Subsidiary
Ameresco S.A.	corporation	Greece	Borrower owns 99% of the issued and outstanding shares; 59,400 shares and AmerescoSolutions, Inc. owns 1% of the issued and outstanding shares; 600 shares	60,000 registered shares	Foreign Subsidiary

SCHEDULE 5.14

Material Indebtedness, Liens and Agreements

(a) Material Indebtedness:

1. The Subordinated Note.

2. Indebtedness in respect of the Contingent Amount (as defined in the Exelon Acquisition Agreement) required to be paid by the Borrower pursuant to the Exelon Acquisition Agreement.

3. (see table below)

CREDIT PARTY	LENDER	FACE AMOUNT	PROJECT NAME/TASK ORDER NUMBER
Ameresco Federal Solutions, Inc.	Bank of America	$14,855,072	(Coast Guard) HSCG83-08-R-3YD003
Ameresco Federal Solutions, Inc.	Bank of America	$ 5,861,340	(Hill AFB Phase 3) DEAM3602NT41457-0003
Ameresco Select, Inc.	United Financial	$ 3,419,504	(NREL) DEAD36-07GO27359
Ameresco Select, Inc.	United Financial	$ 6,372,437	(Ft. Huachucha) DACA87-97-D-0001-0004
Ameresco Federal Solutions, Inc.	Bostonia Federal Leasing	$ 1,884,254	(Hill AFB Mod.) DEAC2602NT41457-0001 Mod. 8

(b) Liens:

1. See above table for Liens. The Credit Parties have sold the contract payments due from the government under their respective Task Orders to the applicable lenders, all in accordance with the Assignment of Claims Act of 1940, as amended, 31 U.S.C. § 3727, 41 U.S.C. § 15. Each lender has a Lien covering only the contract payments due from the government under the applicable Task Order.

(c) Material Contracts:

1. None.

SCHEDULE 5.19

Labor and Employment Matters

(a) None.

(b) None.

(c) None.

SCHEDULE 5.20

Bank Accounts

Ameresco Inc. & Subsidiaries — Bank Accounts Listing

Company	Bank Name	Address	Type	Account Number
Ameresco, Inc.	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Checking	XXXXXXX
Ameresco, Inc.	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Deposit	XXXXXXX
Ameresco, Inc.	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Deposit	XXXXXXX
Ameresco, Inc.	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Deposit	XXXXXXX
Ameresco, Inc.	Bank of America Securities	200 N. College Street, 3rd Floor, NC1-004-03-45, Charlotte,	Investment	XXXXXXX
Ameresco, Inc.	Citizen’s Bank	PO Box 6550, Providence, RI, 02940	Checking **(1)**	XXXXXXX
Ameresco, Inc.	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Deposit	XXXXXXX
Ameresco Enertech, Inc.	Citizen’s Bank	PO Box 6550, Providence, RI, 02940	Deposit **(2)**	XXXXXXX
AmerescoSolutions, Inc.	Citizen’s Bank	PO Box 6550, Providence, RI, 02940	Checking **(3)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	303 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	304 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	305 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	306 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	299 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	300 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	301 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	302 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	311 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	312 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	313 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
AmerescoSolutions, Inc.	Wells Fargo Northeast, N.A.	314 South Main Street, 12th Floor, Sale Lake City, UT 84111	Deposit **(4)**	XXXXXXX
Ameresco Federal Solutions, Inc.	Suntrust Bank	Atlanta, GA	Checking **(5)**	XXXXXXX
Ameresco Federal Solutions, Inc.	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Checking	XXXXXXX
Ameresco Select, Inc.	Citizen’s Bank	PO Box 6550, Providence, RI, 02940	Deposit **(6)**	XXXXXXX
Ameresco Select, Inc.	Black Rock	100 Bellevue Parkway, Wilmington, DE 19809	Deposit **(4)**	XXXXXXX
Ameresco Select, Inc.	Sovereign Bank	5 Whittier Street, Framingham, MA 01701	Deposit **(4)**	XXXXXXX
Ameresco Solar, Inc.	Regions Bank	810 W. Main Street, Tomball, TX 77375	Money Market **(7)**	XXXXXXX
Ameresco Solar, Inc.	Regions Bank	810 W. Main Street, Tomball, TX 77375	Checking **(8)**	XXXXXXX
Ameresco Solar, Inc.	Woodforest National Bank	602 Lawrence Street, Tomball, TX 77375	Checking **(9)**	XXXXXXX
Ameresco Solar, Inc.	Citizen’s Bank	PO Box 6550, Providence, RI, 02940	Checking **(10)**	XXXXXXX

Ameresco Solar — Products LLC	Bank of America	PO Box 25118, Tampa, FL 33622-5118	Deposit	XXXXXXX

(1) Account maintained for processing manual checks in the ordinary course.

(2) Account maintained to collect receivables in connection with a Master Contract with the State of Tennessee Board of Regents.

(3) Account maintained to collect receivables in connection with the FRR Contract DACA87-03-D-0007 with the US Army.

(4) Accounts maintained in connection with Energy Conservation Project Financings (bond financing structures).

(5) Account maintained to collect receivables in connection with the ESPC Contract DE-AC26-02NT41457 Task Order 0001 with the US DOE and MAC Contract F44600-03-D-0003 with Langley AFB.

(6) Account maintained to collect receivables in connection with the ESPC Contract DE-AM36-99EE73682 Delivery Order N47408-02-F-4965 with the Marine Corp Base Quantico and ESPC DACA87-97-D-0001 Task Orders 1-3 with the US Army

(7) Inactive money market account acquired as part of Ameresco Solar, Inc. acquisition.

(8) Account acquired as part of the Ameresco Solar, Inc. acquisition and maintained to collect receivables.

(9) Account acquired as part of the Ameresco Solar, Inc. acquisition and maintained to collect receivables.

(10) Operating cash account.

SCHEDULE 8.1

Existing Indebtedness

Existing Debt and Liens:

1. See Schedule 5.14(a) and (b).

SCHEDULE 8.5

Existing Investments

1. Investments made in the entities listed on Schedule 5.13.
2. Investments in the accounts listed on Schedule 5.20.
3. Investments under arrangements listed on Schedule 5.14(a)(3).

SCHEDULE 8.7

Transactions with Affiliates

The Core Ameresco Companies provide design and construction services for Affiliates in connection with Renewable Energy Projects. In addition, the Core Ameresco Companies provide Affiliates with engineering, operations & maintenance, billing, insurance and other administrative services. Furthermore, the Core Ameresco Companies provide Construction Completion and Cost Overrun Guaranties, Renewable Energy Project Guaranties, and assume certain obligations in respect of such guaranties.

From time to time, the Core Ameresco Companies provide the Canadian Subsidiaries with consulting services in construction, sales, and engineering.

The Core Ameresco Companies will continue to provide operational and administrative support to Non-Core Energy Subsidiaries, and to the other Credit Parties, with respect to the Non-Core Energy Projects.

SCHEDULE 8.8

Restrictive Agreements

None.

EXHIBIT A-1

FORM OF
REVOLVING CREDIT NOTE

$__________ June ___, 2008

FOR VALUE RECEIVED, the undersigned, AMERESCO, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of ____________________ (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

____ DOLLARS AND __________ CENTS ($__________)

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit and Security Agreement dated as of June ___, 2008 (together with all amendments and other modifications, if any, from time to time hereafter made thereto, the "Credit Agreement") among the Borrower, the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent (the "Agent"). This Revolving Credit Note is being executed and delivered by the Borrower pursuant to subsection 2.1(f) of the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Agent for the benefit of the Lender.

This Revolving Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the security for this Revolving Credit Note and for a statement of the terms and conditions on which the Borrower are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING CREDIT NOTE SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT REFERENCE TO THE CONFLICTS OR CHOICE OF LAW PRINCIPLES THEREOF.

The Borrower hereby waives all requirements as to diligence, presentment, demand of payment, protest and (except as required by the Credit Agreement) notice of any kind with respect to this Revolving Credit Note.

IN WITNESS WHEREOF, the undersigned Borrower has executed this Revolving Credit Note as of the day and year first above written.

AMERESCO, INC.

By: ______________________________

Name:

Title:

EXHIBIT A-2

FORM OF
SWING LOAN NOTE

$3,000,000.00 June ___, 2008

FOR VALUE RECEIVED, the undersigned AMERESCO, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of BANK OF AMERICA, N.A. (the "Swing Loan Lender") at the place and times provided in the Credit Agreement referred to below the principal sum of

THREE MILLION AND 00/100 DOLLARS ($3,000,000.00)

or, if less, the principal amount of all Swing Loans made by the Swing Loan Lender to the Borrower from time to time pursuant to Section 2.6 of that certain Amended and Restated Credit and Security Agreement dated as of June ___, 2008 (together with all amendments and other modifications, if any, from time to tome hereafter made thereto, the "Credit Agreement") among the Borrower, the Guarantors from time to time party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (the "Agent"). The Borrower further promises to pay to the order of the Swing Loan Lender interest on the unpaid principal amount hereof from time to time outstanding at the rates and at the times set forth in the Credit Agreement. This Swing Loan Note is being executed and delivered by the Borrower pursuant to the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meaning ascribed to them in the Credit Agreement.

All payments of principal and interest on this Swing Line Note shall be payable in lawful currency of the United States of America in immediately available funds for the account of the Swing Loan Lender as specified in the Credit Agreement.

This Swing Loan Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the security for this Swing Loan Note and for a statement of the terms and conditions on which the Borrower is permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS SWING LOAN NOTE SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT REFERENCE TO THE CONFLICTS OR CHOICE OF LAW PRINCIPLES THEREOF.

The Borrower hereby waives all requirements as to diligence, presentment, demand of payment, protest and (except as required by the Credit Agreement) notice of any kind with respect to this Swing Loan Note.

IN WITNESS WHEREOF, undersigned Borrower has executed this Swing Loan Note under seal as of the day and year first above written.

AMERESCO, INC.

By: ______________________________
Name:
Title:

EXHIBIT B

FORM OF ADVANCE REQUEST
AMERESCO, INC.

Bank of America, N.A.,
as Administrative Agent
100 Federal Street, Mail Stop MA 5-100-07-07
Boston, Massachusetts 02110
Attention: Ameresco, Inc. Account Officer

Re: *Advance Request under Credit Agreement*

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit and Security Agreement dated as of June ___, 2008 (the "Credit Agreement") among Ameresco, Inc. (the "Borrower"), the Guarantors party thereto, the Lenders party thereto, Bank of America, N.A., as administrative agent. In accordance with Section 2.1(b) of the Credit Agreement the Borrower hereby requests the following Borrowing(s):

A. **Revolving Credit Borrowings:**

(1) Amount requested: $__________;

(2) Date of Borrowing: __________;

(3) Type of Borrowing: [Base Rate][LIBOR];

(4) If LIBOR Borrowing,

Interest Period: [one] [two] [three] [six] months; and

(5) Location and account number to which funds are to be disbursed:

____

____

B. Swing Loan Borrowings:

(1) Amount requested: $__________;

(2) Date of Borrowing: __________;

(3) Type of Borrowing: Base Rate; and

(4) Location and account number to which funds are to be disbursed:

____

____

Capitalized terms used above in this Advance Request are as defined in the Credit Agreement.

Date: __________

AMERESCO, INC.

By: ________________________________
Name:
Title:

Exhibit C

PERFECTION CERTIFICATE

[**PLEASE COMPLETE A SEPARATE CERTIFICATE FOR EACH OF THE CREDIT PARTIES**]

The undersigned, __________, the __________ of __________, a __________corporation (the "Company") hereby certifies to **BANK OF AMERICA, N.A.,** as Administrative Agent and Arranger ("Bank of America" or the "Agent"), as follows:

1. Name.

(a) The exact legal name of the Company as that name appears in its organizational documents is as follows:

(b) The following is a list of all other names (including trade names or similar appellations) used by the Company, or any other business or organization to which the Company became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years and, in the case of any such business or organization, any chief executive office or other principal place of address used thereby during such period to the extent known to the Company:

(c) The following is the Company's federal employer identification number:

(d) The following is the Company's state-issued identification number, if any:

2. Current Locations.

(a) The following is the jurisdiction of organization of the Company:

(b) The chief executive office of the Company is located at the following address:

(c) The following are all other locations in which the Company maintains any books or records relating to any accounts, contract rights, chattel paper, general intangibles or mobile goods:

(i) In the United States of America:

(ii) Outside the United States of America:

(d) The following are all other places of business of the Company:

(i) In the United States of America:

(ii) Outside the United States of America:

(e) The following are all other locations where any inventory or equipment of the Company is located:

(i) In the United States of America:

(ii) Outside the United States of America:

(f) The following are the names and addresses of all persons or entities other than the Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of chattel paper, inventory or equipment:

3. Prior Locations.

(a) Set forth below is each location or place of business previously (but not currently) maintained by the Company or at which books or records were previously (but not currently) maintained with respect to the items described in § 2 (c) above at any time during the past four months:

(b) The Company has ___________ has not ___________ changed its jurisdiction of organization or chief executive office at any time during the past four months (if "has" is checked, please set forth the prior jurisdiction of organization or location of chief executive office below):

(c) Set forth below is information required by subparagraphs (e) and (f) of §2 with respect to each other location at which, or other person or entity with which, any inventory or equipment of the Company has been previously (but not currently) held at any time during the past four months:

4. Real Estate Fixtures. Attached hereto as Schedule 4 is a description of each parcel of real property on which any fixtures of the Company are or are to be located and the name and address of each real estate recording office where a mortgage on the real estate on which such fixtures are or are to be located would be recorded and the name and address of the record owner, if not the Company. A summary list of which of such properties are owned and which are leased by the Company is set forth below:

(a) Owned Property

(b) Leased Property

5. Unusual Transactions. Except as set forth on Schedule 5, attached hereto, all of the property and assets of the Company pledged to the Agent as Collateral has been originated by the Company in the ordinary course of its business or consist of goods which have been acquired by the Company in the ordinary course from a person in the business of selling goods of that kind.

6. File Search Reports. Attached hereto as Schedule 6 is a true copy of a file search report from the Uniform Commercial Code filing officer (or, if such officer does not issue such reports, from an experienced Uniform Commercial Code search organization acceptable to the Agent) (i) in each jurisdiction identified in §§ 2 or 3 above with respect to each name set forth in §1 above, (ii) from each filing officer in each real estate recording office identified on Schedule 4 with respect to the real estate on which Collateral consisting of fixtures are or are to be located and (iii) with respect to any of the transactions described in Schedule 5, with respect to the legal name of each person or entity from whom the Company purchased or otherwise acquired any of the Collateral, in the jurisdiction of organization (or "location" under Article 9 of the Uniform Commercial Code) of each such person or entity and in the jurisdiction in which each such entity maintains its chief executive office or any of the Collateral was located at any time during the preceding four months.

7. Deposit Accounts. Set forth on Schedule 7 attached hereto is a complete list of all bank accounts (including securities and commodities accounts) maintained by the Company (*provide name and address of depository bank, type of account and account number*).

8. Investment Property. Set forth on Schedule 8 attached hereto is a complete list of (i) all stocks, bonds, debentures, notes and other securities and investment property owned by the Company and (ii) all limited liability company, partnership and limited partnership interests owned by the Company (*provide name of issuer, description of security or interest and value*).

9. Commercial Tort Claims. Set forth on Schedule 9 attached hereto is a complete description of all existing commercial tort claims held by the Company (*provide brief description of each claim*).

10. UCC Filings. The Agent is hereby authorized to file a financing statement on Form UCC-1 in form acceptable to the Agent and containing the description of the Collateral set forth on Schedule 10 in the Uniform Commercial Code filing office in each jurisdiction identified in §2 hereof and in each real estate recording office referred to in Schedule 4 hereto.

11. Termination Statements. A duly authorized termination statement on Form UCC-3 in form acceptable to the Agent for filing in each applicable jurisdiction identified in § 2 hereof or on Schedule 5 hereto has been duly filed or has been delivered to the Agent.

IN WITNESS WHEREOF, we have hereunto signed this Certificate as of this __________ day of __________, 2004.

[NAME OF CREDIT PARTY]

By: ____
Name:
Title:

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

Bank of America, N.A.,
as Administrative Agent
100 Federal Street, Mail Stop MA 5-100-07-07
Boston, Massachusetts 02110
Attn: Ameresco, Inc. Account Officer

Re: **Amended and Restated Credit and Security Agreement, dated as of June ___, 2008, as amended from time to time, (the "Credit Agreement") among Ameresco, Inc. (the "Borrower"), the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent (the "Administrative Agent")**

Ladies & Gentlemen:

Pursuant to the above-referenced Credit Agreement, enclosed are copies of consolidated and consolidating financial statements of the Core Ameresco Companies for the fiscal [quarter] [year] ended ___________ (the "Fiscal Period"), prepared in accordance with GAAP. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

As required, a review of the activities of the Credit Parties during the Fiscal Period has been made under the supervision of the undersigned with a view to determining whether, during the Fiscal Period, the Credit Parties have kept, observed, performed and fulfilled each and every covenant and condition of the Credit Agreement. To the best of my knowledge and belief there neither exists on the date of this certificate, nor existed during the Fiscal Period, any Default or Event of Default, except as set forth on any attachment hereto. There has been no change in GAAP since the date of the last audited financial statements delivered to you by the Borrower which has or could have an effect on the financial statements accompanying such certificate, except such changes as are set forth on any attachment hereto.

As further required, attached are covenant calculations showing compliance by the Core Ameresco Companies with the financial covenants set forth in Section 8.10 of the Credit Agreement.

Very truly yours,

AMERESCO, INC.

By: ______________________________
Name:
Title:

Enclosures

FINANCIAL COVENANT CALCULATIONS

Fiscal ☐Quarter/☐Year Ended ____________________

Except as otherwise set forth below, the following covenants have been measured at the end of the fiscal quarter/year of the Credit Parties specified above for the period of four consecutive fiscal quarters of the Credit Parties most recently ended (the "Reported Period").

8.10(a) MINIMUM PROFITABILITY.

Quarterly net income for the period of two consecutive fiscal quarters most recently ended is:	$__________
Quarterly net income for the period of two consecutive fiscal quarters most recently ended is required to be not less than:	$ 1.00
Aggregate net income for the period of two consecutive fiscal quarters most recently ended is:	$__________
Aggregate net income for the period of two consecutive fiscal quarters most recently ended is required to be not less than:	$ 1.00

* *As set forth in Section 8.10(a) of the Credit Agreement.*

8.10(b) TANGIBLE CAPITAL BASE.

The actual Tangible Capital Base as of the end of the fiscal quarter most recently ended is:	$__________
The Tangible Capital Base as of the end of the fiscal quarter most recently ended is required to be not less than:	$__________

* *As set forth in Section 8.10(b) of the Credit Agreement.*

The Tangible Capital Base has been calculated as follows:

(A)	Book net worth of Core Ameresco Companies on a consolidated basis:	$__________
	plus	
(B)	Outstanding principal amount of Subordinated Indebtedness:	$__________
	minus	
(C)	Total book value of all assets of Core Ameresco Companies on a consolidated basis treated as intangible assets under GAAP:	$__________
	minus	
(D)	Accounts receivable, notes receivable, other amounts due and owing from any Affiliate of a Core Ameresco Company:	$__________
	minus	

(E)	Renewable Energy Project Guaranty Liabilities	$__________

8.10(c) <u>MINIMUM</u> <u>EBITDA</u>.

Actual EBITDA for the Reported Period is:	$__________
EBITDA is required to be not less than:	$ 20,000,000

____

* *As set forth in Section 8.10(c) of the Credit Agreement.*

EBITDA for the Reported Period has been calculated as follows:

(a)	consolidated net income of the Core Ameresco Companies during the Reported Period:		$__________
	plus		
(b)	for the Reported Period, the sum of (to the extent deducted in calculating net income of the Core Ameresco Companies):		
	(i)	income taxes accrued:	$__________
	(ii)	Interest Expense (see below for calculation):	$__________
	(iii)	amortization and depreciation:	$__________
	(iv)	losses attributable to equity in Affiliates which are not Subsidiaries (except to the extent paid in cash by Core Ameresco Companies):	$__________
	(v)	extraordinary or unusual losses[1]:	$__________
	(vi)	non-recurring items, fees and expenses associated with the transactions contemplated by the Credit Agreement, not to exceed $600,000 after the Effective Time:	$__________
	(viii)	aggregate amount received in cash by the Core Ameresco Companies in respect of regularly scheduled dividends or distributions from the Special Purpose Subsidiaries[2]:	$__________
SUBTOTAL:			**$__________**

____

1 Any payment required to be made by any Core Ameresco Company in respect of any Renewable Energy Project Guaranty Liability shall reduce net income of the Core Ameresco Companies and shall not be added back to EBITDA as an extraordinary loss.

2 Not to include amounts received by the Core Ameresco Companies in connection with any sale, transfer or other disposition of assets or equity interests of any Special Purpose Subsidiary.

minus

(c) for the Reported Period, the sum of (to the extent included in calculating net income):

(i)	extraordinary gains (determined in accordance with GAAP):	$__________
(ii)	proceeds received in respect of Casualty Events, Dispositions, and any sale, assignment, transfer or other disposition by any Credit Party of equity interest of any Special Purpose Subsidiary:	$__________

SUBTOTAL: $__________

plus/minus

(d) adjustments for Permitted Acquisitions during the Reported Period: $__________

TOTAL EBITDA: $__________

For purposes of this Compliance Certificate, Interest Expense for the Reported Period has been calculated as follows:

(a) interest in respect of Indebtedness accrued during such period, excluding capitalized debt acquisition costs and paid-in-kind interest: $__________

plus (minus)

(b) net amounts payable (or net amounts receivable) under Hedging Agreements accrued during such period (whether or not actually paid or received)[3]: $__________

plus

(c) all fees (including letter of credit fees and expenses) incurred under the Credit Agreement during such period: $__________

TOTAL INTEREST EXPENSE: $__________

---

3 Excluding reimbursement of legal fees and other similar transactions costs and excluding payments required by reason of the early termination of Hedging Agreements in effect as of the Credit Agreement.

8.10(d) <u>TOTAL FUNDED DEBT TO EBITDA RATIO</u>.

The actual Total Funded Debt to EBITDA Ratio for the Reported Period is:	___ to 1.00
The Total Funded Debt to EBITDA Ratio for the Reported Period is required to be not greater than:	2.00 to 1.00*

---

* *As set forth in Section 8.10(d) of the Credit Agreement.*

The Total Funded Debt to EBITDA Ratio for the Reported Period has been calculated as follows:

(A)	Total Funded Debt of Core Ameresco Companies as of the end of the Reported Period:	$__________
	divided by	
(B)	EBITDA of Core Ameresco Companies for the Reported Period:	$__________

8.10(e) <u>DEBT SERVICE COVERAGE RATIO</u>.

The actual Debt Service Coverage Ratio for the Reported Period is:	___ to 1.00
The Debt Service Coverage Ratio for the Reported Period is required to be not less than:	1.50 to 1.00

---

* *As set forth in Section 8.10(e) of the Credit Agreement.*

The Debt Service Coverage Ratio for the Reported Period has been calculated as follows:

(A)	the result for the Reported Period of:		
	(i)	EBITDA of the Core Ameresco Companies:	$__________
		minus	
	(ii)	Capital Expenditures made by the Core Ameresco Companies:	$__________
		minus	
	(iii)	aggregate amount paid in cash by the Core Ameresco Companies in respect of income, franchise, real estate and other like taxes:	$__________
		minus	
	(iv)	dividends, withdrawals and other distributions paid in cash by the Core Ameresco Companies:	$__________
	SUBTOTAL:		$__________
	divided by		
(B)	the sum for the Reported Period of:		

(i)	all regularly scheduled payments of Indebtedness:	$__________
	plus	
(ii)	all Interest Expense:	$__________
SUBTOTAL**:**		$__________

EXHIBIT E

FORM OF AMENDED AND RESTATED PLEDGE AGREEMENT

THIS AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of June ___, 2008 by and among Ameresco, Inc., a Delaware corporation ("Ameresco"), each of the other Pledgor party hereto as of the date hereof, and each other Person that becomes a party to this Agreement by executing and delivering an instrument of adherence to this Agreement to the Administrative Agent (collectively, the "Pledgors" and each individually, a "Pledgor") and Bank of America, N.A., individually and as administrative agent (the "Administrative Agent") for the Lenders under the Credit Agreement described below, having an address at 100 Federal Street, Mail Stop MA 5-100-07-07, Boston, Massachusetts 02110. The Administrative Agent and the Lenders are herein collectively referred to from time to time as the "Secured Parties".

W I T N E S S E T H:

WHEREAS, each Pledgor is a borrower or guarantor under the terms of an Amended and Restated Credit Agreement dated as of the date hereof among Ameresco, Inc., a Delaware corporation (the "Borrower"), the Guarantors party thereto (the "Guarantors", and collectively with the Borrower, the "Credit Parties"), the Lenders from time to time party thereto, and the Administrative Agent dated as of the date hereof (as amended from time to time, the "Credit Agreement") pursuant to which the Lenders agreed, subject to the terms and conditions set forth therein, to make certain Loans (as defined in the Credit Agreement) to the Borrower, and to issue Letters of Credit (as defined in the Credit Agreement), for the account of the Borrower; and

WHEREAS, each Pledgor owns the percentage of the outstanding partnership interests, limited liability company interests or shares of capital stock, as applicable, of the companies listed on Schedule I hereto as set forth on such Schedule I hereto and is holder of certain other instruments and securities set forth on Schedule II hereto (such companies and the issuers of such instruments and securities, collectively called the "Listed Companies"); and

WHEREAS, the obligations of the Lenders to make the Loans to the Borrower and issue the Letters of Credit for the account of the Borrower are subject to the conditions, among others, that each Pledgor shall execute and deliver this Agreement and grant the pledge and security interest hereinafter described.

NOW, THEREFORE, in consideration of the willingness of the Secured Parties to enter into the Credit Agreement and of the Lenders to agree, subject to the terms and conditions set forth therein, to make the Loans to the Borrower and issue the Letters of Credit for the account of the Borrower pursuant thereto, and for other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Defined Terms. Except as otherwise expressly defined herein, all capitalized terms shall have the meanings ascribed to them in the Credit Agreement.

2. Security Interest. Each Pledgor hereby deposits with, and pledges to, the Administrative Agent for itself and for the benefit of the other Secured Parties all investment property which such Pledgor holds in the Listed Companies, including, without limitation: (a) the partnership interests, limited liability company interests and shares of capital stock, as applicable, of the Listed Companies as listed on Schedule I attached hereto (the "Pledged Equity") (together with the appropriate powers duly endorsed in blank), and, to the extent such collateral is not certificated, the appropriate assignment and control documents, and (b) the promissory notes payable to the Pledgors as listed in Schedule II attached hereto (the "Pledged Notes", and together with the Pledged Equity and any additional investment property, securities, securities entitlements, or collateral pledged hereunder, the "Pledged Collateral"), and each Pledgor hereby grants to the Administrative Agent for itself and for the benefit of the other Secured Parties a security interest in all of the Pledged Collateral as security for the due and punctual payment and performance of the Secured Obligations described in Section 3 hereof.

3. Secured Obligations. The security interest hereby granted shall secure the due and punctual payment and performance of the following liabilities and obligations of the Pledgors (herein called the "Secured Obligations"):

(a) Principal of and premium, if any, and interest on the Loans; and

(b) Any and all other obligations and indebtedness of any of the Credit Parties to the Secured Parties or any of them, whether direct or indirect, absolute or contingent, due or to become due or now existing or hereafter arising or incurred under the Credit Agreement, any other Loan Document or under any Hedging Agreement permitted by the Credit Agreement, all as amended from time to time including, without limitation, any and all Reimbursement Obligations, any and all other fees, premiums and penalties.

4. Special Warranties and Covenants of the Pledgors. Each Pledgor hereby warrants and covenants to the Secured Parties with respect to the Pledged Collateral for which it is the "Pledgor," as set forth on Schedules I and II, that:

(a) The Pledged Collateral is duly and validly pledged with the Administrative Agent for the benefit of the Secured Parties in accordance with law, the Administrative Agent for the benefit of the Secured Parties has a First Priority security interest in such Pledged Collateral, and each Pledgor warrants and will defend the Secured Parties' right, title and security interest in and to the Pledged Collateral against the claims and demands of all Persons whomsoever.

(b) Each Pledgor has good title to the Pledged Collateral, free and clear of all Liens, except as expressly set forth in or permitted under the Credit Agreement.

(c) All of the Pledged Equity has been duly and validly issued and is fully paid and nonassessable.

(d) The Pledged Equity constitutes the amount and percentage of partnership interests, limited liability company interests or shares, as applicable, of the presently issued and outstanding partnership interests, limited liability company interests or capital stock of the Listed Companies, as applicable, as set forth on Schedule I.

(e) If any additional partnership interests, limited liability company interests or shares of capital stock of any class of the Listed Companies or if any promissory notes of the Listed Companies or other securities of the Listed Companies are acquired by any Pledgor after the date hereof, the same shall constitute Pledged Collateral and shall be deposited with and pledged to the Administrative Agent for itself and for the benefit of the other Secured Parties as provided in Section 2 hereof simultaneously with such acquisition. The Pledgors will promptly notify the Administrative Agent of the date and amount of any loans made from time to time by the Pledgors to the Listed Companies as permitted by the Credit Agreement.

(f) No Pledgor will sell, convey or otherwise dispose of any of the Pledged Collateral, nor will any Pledgor create, incur or permit to exist any Lien with respect to any of the Pledged Collateral or the proceeds thereof, other than Liens with respect to the Pledged Collateral created hereby or Liens which are otherwise permitted under the Loan Documents and except as permitted by the Credit Agreement.

(g) If any additional partnership interests, limited liability company interests or shares of capital stock of any class of the Listed Companies are issued, any such partnership interests, limited liability company interests or additional shares of capital stock shall be deposited with and pledged to the Administrative Agent for itself and for the benefit of the other Secured Parties simultaneously with such issuance as provided in Section 2 hereof.

(h) The Pledged Notes evidence the amount of outstanding indebtedness for money borrowed of the respective issuers thereof indicated on Schedule II hereto.

(i) If any additional promissory notes are acquired by any Pledgor from the issuers of the Pledged Notes or any other Person, the same shall constitute Pledged Notes and Pledged Collateral and shall be deposited with and pledged to the Administrative Agent for itself and the benefit of the other Secured Parties as provided in Section 2 hereof simultaneously with such acquisition. Upon the request of the Administrative Agent, the Pledgors will promptly notify the Administrative Agent of any loans made from time to time to such issuers as permitted by the Credit Agreement.

5. Distributions. In case, upon the dissolution, winding up, liquidation or reorganization of the Listed Companies whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other marshaling of the assets and liabilities of the Listed Companies or otherwise, any sum shall be paid or any property shall be distributed upon or with respect to any of the Pledged Collateral, such sum shall be paid over to the Administrative Agent for the benefit of the Secured Parties as collateral security for the Secured Obligations. In case any stock dividend shall be declared on any of the Pledged Collateral, or any share of stock or fraction thereof shall be issued pursuant to any stock split involving any of the Pledged Collateral, or, any distribution of capital or profits shall be made on any of the Pledged Collateral, or any property shall be distributed upon or with respect to the Pledged Collateral, the limited partnership interests, limited liability company interests, shares,

cash or other property so distributed shall be delivered to the Administrative Agent to be held for the benefit of the Secured Parties as collateral security for the Secured Obligations.

6. Events of Default. The Pledgors shall be in default under this Agreement upon the happening of any Event of Default, as defined in the Credit Agreement (herein called an "Event of Default").

7. Rights and Remedies of Secured Parties. Upon the occurrence and during the continuance of any Event of Default, the Secured Parties shall have the following rights and remedies:

(a) All rights and remedies provided by law, including, without limitation, those provided by the Uniform Commercial Code;

(b) All rights and remedies provided in this Agreement; and

(c) All rights and remedies provided in the Credit Agreement or in the Loan Documents, or in any other agreement, document or instrument pertaining to the Secured Obligations.

8. Right to Transfer into Name of Administrative Agent, etc. Upon the occurrence and during the continuance of an Event of Default, but subject to the provisions of the Uniform Commercial Code or other applicable law, with 10 days prior written notice to the Pledgors, the Administrative Agent may cause all or any of the Pledged Collateral to be transferred into its name or into the name of its nominee or nominees (such transfer, a "Transfer"). So long as no Event of Default shall have occurred and be continuing, each Pledgor shall be entitled to exercise as such Pledgor shall deem fit, but in a manner not inconsistent with the terms hereof or of the Secured Obligations, the voting power with respect to the Pledged Collateral.

9. Right of Administrative Agent to Exercise Voting Power, etc. Upon the occurrence and during the continuance of an Event of Default and following a Transfer, the Administrative Agent for the benefit of the Secured Parties shall be entitled to exercise the voting power with respect to the Pledged Collateral, to receive and retain, as collateral security for the Secured Obligations, any and all dividends or other distributions at any time and from time to time declared or made upon any of the Pledged Collateral, and to exercise any and all rights of payment, conversion, exchange, subscription or any other rights, privileges or options pertaining to the Pledged Collateral as if it were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of the Listed Companies or, upon the exercise of any such right, privilege or option pertaining to the Pledged Collateral, and in connection therewith, to deposit and deliver any and all of the Pledged Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine, all without liability except to account for property actually received, but the Administrative Agent shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

10. Right of Administrative Agent to Dispose of Collateral, etc. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right at any time or times thereafter to sell, resell, assign and deliver all or any of the Pledged Collateral in one or more parcels at any exchange or broker's board or at public or private sale. Unless the Pledged Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Administrative Agent will give the Pledgors at least ten (10) days' prior written notice in accordance with Section 20 hereof of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition of any of the Pledged Collateral is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that reasonable notification be given of the time and place of such sale or other disposition. Such notice may be given without any demand of performance or other demand, all such demands being hereby expressly waived by each Pledgor. All such sales shall be at commercially reasonable price or prices and either for cash or on credit or for future delivery (without assuming any responsibility for credit risk). At any such sale or sales, to the extent permitted by law, any Secured Party may purchase any or all of the Pledged Collateral to be sold thereat upon such terms as the Administrative Agent may deem best. Upon any such sale or sales the Pledged Collateral so purchased shall be held by the purchaser absolutely free from any claims or rights of whatsoever kind or nature, including any equity of redemption and any similar rights, all such equity of redemption and any similar rights being hereby expressly waived and released by each Pledgor. In the event any consent, approval or authorization of any governmental agency will be necessary to effectuate any such sale or sales, each Pledgor shall execute, and hereby agrees to cause the Listed Companies to execute, all such applications or other instruments as may be required.

Each Pledgor recognizes that the Administrative Agent may be unable to effect a public sale of all or a part of the Pledged Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act") or otherwise but may be compelled to resort to one or more private sales to a restricted group of purchasers, each of whom will be obligated to agree, among other things, to acquire such Pledged Collateral for its own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that private sales so made may be at prices and upon other terms less favorable to the seller than if such Pledged Collateral were sold at public sales without such restrictions, and that the Administrative Agent has no obligation to delay sale of any such Pledged Collateral for the period of time necessary to permit such Pledged Collateral to be registered for public sale under the Securities Act. Each Pledgor agrees that any such private sales shall not be deemed to have been made in a commercially unreasonable manner solely because they shall have been made under the foregoing circumstances.

11. Collection of Amounts Payable on Account of Pledged Collateral, etc. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may, but without obligation to do so, demand, sue for and/or collect any money or property at any time due, payable or receivable, to which it may be entitled hereunder, on account of, or in exchange for, any of the Pledged Collateral and shall have the right, for and in the name, place and stead of each Pledgor, to execute endorsements, assignments or other instruments of conveyance or transfer with respect to all or any of the Pledged Collateral.

12. Care of Pledged Collateral in Administrative Agent's Possession. Beyond the exercise of reasonable care to assure the safe custody of the Pledged Collateral while held hereunder, the Administrative Agent shall have no duty or liability to collect any sums due in respect thereof or to protect or preserve rights pertaining thereto, and shall be relieved of all responsibility for the Pledged Collateral upon surrendering the same to the Pledgors.

13. Proceeds of Collateral. By way of enlargement and not by way of limitation of the rights of the Administrative Agent under applicable law or the Credit Agreement or Loan Documents, the Administrative Agent shall receive and apply the proceeds of any sale or sales of the Pledged Collateral, together with any other additional collateral security at the time received and held hereunder, to the Secured Obligations (including, without limitation, the Loans) in accordance with the terms of the Credit Agreement. In the event the proceeds of any sale, lease or other disposition of the Pledged Collateral hereunder are insufficient to pay all of the Secured Obligations in full, each Pledgor will be liable for the deficiency, together with interest thereon at the maximum rate provided in the Credit Agreement, and the cost and expenses of collection of such deficiency, including (to the extent permitted by law), without limitation, reasonable attorneys' fees, expenses and disbursements.

14. Credit Agreement. Notwithstanding any other provision of this Agreement, the rights of the parties hereunder are subject to the provisions of the Credit Agreement, including the provisions thereof pertaining to the rights and responsibilities of the Administrative Agent. In the event that any provision of this Agreement is in conflict with the terms of the Credit Agreement, the Credit Agreement shall control. Unless the context shall otherwise clearly indicate, the terms "Secured Party" and "Secured Parties" as used herein shall be deemed to include the Administrative Agent acting on behalf of the Secured Parties pursuant to the Credit Agreement. The term "Administrative Agent" as used herein shall include Bank of America, N.A., or any other Person acting as Administrative Agent for the Secured Parties pursuant to the terms of the Credit Agreement.

15. Waivers, etc. Each Pledgor hereby waives presentment, demand, notice, protest and, except as is otherwise provided herein, all other demands and notices in connection with this Agreement or the enforcement of the Secured Parties' rights hereunder or in connection with any Secured Obligations or any Pledged Collateral; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to the other Listed Companies or the other Pledgors or to any third party, or substitution, release or surrender of any collateral security for any Secured Obligation, the addition or release of Persons primarily or secondarily liable on any Secured Obligation or on any collateral security for any Secured Obligation, the acceptance of partial payments on any Secured Obligation or on any collateral security for any Secured Obligation and/or the settlement or compromise thereof. No delay or omission on the part of the Secured Parties in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. Any waiver of any such right on any one occasion shall not be construed as a bar to or waiver of any such right on any future occasion. Each Pledgor further waives any right it may have under the laws of The Commonwealth of Massachusetts, under the laws of any state in which any of the Pledged Collateral may be located or which may govern the Pledged Collateral, or under the laws of the United States of America, to notice (other than any requirement of notice provided herein or in any other Loan Documents) or to a judicial hearing

prior to the exercise of any right or remedy provided by this Agreement to the Administrative Agent or the Secured Parties and waives its rights, if any, to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing. Each Pledgor's waivers under this Section have been made voluntarily, intelligently and knowingly and after such Pledgor has been apprized and counseled by its attorneys as to the nature thereof and its possible alternative rights.

16. Termination; Assignment, etc. When all the Secured Obligations have been paid in full and have been terminated and the Commitments of the Lenders to make any Loan under the Credit Agreement have terminated or expired and no Letters of Credit remain outstanding, this Agreement and the security interest in the Pledged Collateral created hereby shall terminate. No waiver by the Administrative Agent or by any other holder of Secured Obligations of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. In the event of a sale or assignment by any Secured Party of all or any of the Secured Obligations held by it, any Secured Party may assign or transfer its rights and interest under this Agreement in whole or in part to the purchaser or purchasers of such Secured Obligations, whereupon such purchaser or purchasers shall become vested with all of the powers and rights of a Secured Party hereunder.

17. Reinstatement. Notwithstanding the provisions of Section 16, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by any Secured Party in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by any such Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any of the Listed Companies, any Pledgor or upon the appointment of any intervener or conservator of, or trustee or similar official for, the Listed Companies or any Pledgor, or any substantial part of their respective properties, or otherwise, all as though such payments had not been made.

18. Governmental Approvals, etc. Upon the exercise by the Administrative Agent of any power, right, privilege or remedy pursuant to this Agreement which requires any consent, approval, qualification or authorization of any governmental authority or instrumentality, each Pledgor will execute and deliver, or will cause the execution and delivery of, all applications, certificates, instruments and other documents and papers that the Administrative Agent or any Secured Party may be required to obtain for such governmental consent, approval, qualification or authorization.

19. Restrictions on Transfer, etc. To the extent that any restrictions imposed by the charter, certificate of limited partnership, limited partnership agreement, operating agreement or by-laws of any of the Listed Companies or any other document or instrument would in any way affect or impair the pledge of the Pledged Collateral hereunder or the exercise by the Administrative Agent of any right granted hereunder, including, without limitation, the right of the Administrative Agent to dispose of the Pledged Collateral upon the occurrence and during the continuance of any Event of Default, each Pledgor hereby waives such restrictions to the extent permitted by applicable securities laws, and represents and warrants that it has caused the Listed Companies to take all necessary action to waive such restrictions, and each Pledgor

hereby agrees that it will take any further action which the Administrative Agent may reasonably request in order that the Administrative Agent may obtain and enjoy the full rights and benefits granted to the Administrative Agent by this Agreement free of any such restrictions.

20. Notices. All notices, consents, approvals, elections and other communications hereunder shall be in writing (whether or not the other provisions of this Agreement expressly so provide) and shall be deemed to have been duly given if delivered in accordance with the terms of the Credit Agreement.

21. Miscellaneous. This Agreement shall inure to the benefit of and be binding upon the Administrative Agent, the Secured Parties and each Pledgor and their respective successors and assigns, and the term "Secured Parties" shall be deemed to include any other holder or holders of any of the Secured Obligations. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

22. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, shall be construed in accordance with and governed by the laws of The Commonwealth of Massachusetts. Each Pledgor, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in any state or federal court located in The Commonwealth of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections it may have as to venue in any such courts. Each Pledgor further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it in accordance with Section 20 hereof or as otherwise provided under the laws of The Commonwealth of Massachusetts. Nothing in this Agreement shall affect any right the Administrative Agent or any Secured Party may otherwise have to bring an action or proceeding relating to this Agreement against any Pledgor or its properties in the courts of any jurisdiction. EACH PLEDGOR IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST SUCH PLEDGOR IN RESPECT OF ITS OBLIGATIONS HEREUNDER OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Pledge Agreement as a sealed instrument as of the date first above written.

PLEDGORS

AMERESCO, INC.

By: ________________________________
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO ENERTECH, INC.

By: ________________________________
Name: Andrew B. Spence
Title: Treasurer

E.THREE CUSTOM ENERGY SOLUTIONS, LLC,
By: Sierra Energy Company, its sole member

By: ________________________________
Name:
Title:

AMERESCOSOLUTIONS, INC.

By: ________________________________
Name: Andrew B. Spence
Title: Treasurer

AMERESCO PLANERGY HOUSING, INC.

By: ________________________________
Name: Andrew B. Spence
Title: Treasurer

SOLUTIONS HOLDINGS, LLC
By: Ameresco, Inc., its sole member

By: ________________________________
Name: Andrew B. Spence
Title: Vice President & Chief Financial Officer

AMERESCO FEDERAL SOLUTIONS, INC.

By: ________________________________
Name: Andrew B. Spence
Title: Treasurer

SIERRA ENERGY COMPANY

By: ________________________________
Name:
Title:

AMERESCO SELECT, INC.

By: ________________________________
Name:
Title:

AMERESCO HAWAII LLC
By: Ameresco, Inc., its sole member

By: ________________________________
Name:
Title:

AMERESCO SOLAR — SOLUTIONS, INC.

By: ________________________________
Name:
Title:

AMERESCO SOLAR-PRODUCTS LLC
By: Ameresco, Inc., its sole member

By: ______________________________
Name:
Title:

AMERESCO SOLAR, LLC

By: ______________________________
Name:
Title:

AMERESCO SOLAR — TECHNOLOGIES LLC

By: ______________________________
Name:
Title:

AMERESCO WOODLAND MEADOWS LLC

By: ______________________________
Name:
Title:

AMERESCO NORTHAMPTON LLC

By: ______________________________
Name:
Title:

ADMINISTRATIVE AGENT

BANK OF AMERICA, N.A., individually and as
Administrative Agent for the Secured Parties

By: ____

Name: John F. Lynch
Title: Senior Vice President

SCHEDULE I
(to Pledge Agreement)

PLEDGED STOCK

Pledgor	Issuer and Address	Description	No. of Shares	Certificate No.(s)
Ameresco, Inc.	AmerescoSolutions, Inc.			
Ameresco, Inc.	Ameresco Planergy Housing, Inc.			
Ameresco, Inc.	Ameresco Enertech, Inc.			
Ameresco, Inc.	Ameresco Canada Inc.			
Ameresco, Inc.	Sierra Energy Company			
Ameresco, Inc.	Ameresco Select, Inc.			
Solutions Holdings, LLC	Ameresco Federal Solutions, Inc.			
Ameresco Solar LLC	Ameresco Solar — Solutions, Inc.			

PLEDGED MEMBERSHIP INTERESTS

Pledgor	Issuer and Address	Description	No. of Shares	Certificate No.(s)
Ameresco, Inc.	Solutions Holdings, LLC			
Ameresco, Inc.	Ameresco Solar LLC			
Ameresco, Inc.	Ameresco Woodland Meadows LLC			
Ameresco, Inc.	Ameresco Northampton LLC			
Ameresco, Inc.	Ameresco Hawaii LLC			
Sierra Energy Company	E. Three Custom Energy Solutions, LLC			
Ameresco Solar LLC	Ameresco Solar — Products LLC			
Ameresco Solar LLC	Ameresco Solar-Technologies LLC			
Ameresco Hawaii LLC	Ameresco/Pacific Energy JV			

SCHEDULE II
(to Pledge Agreement)

PLEDGED NOTES

EXHIBIT H

FORM OF OPINION OF COUNSEL TO THE BORROWER

June ___, 2008

Bank of America, N.A., as Administrative Agent
under the Credit Agreement described below,
and the Lenders party thereto
100 Federal Street
Boston, MA 02110

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 6.1(o) of the Amended and Restated Credit and Security Agreement dated as of [______], 2008 (the "Credit Agreement"), among Ameresco, Inc., a Delaware corporation (the "Borrower"), Ameresco Enertech, Inc., a Kentucky corporation ("Enertech"), E.Three Custom Energy Solutions, LLC, a Nevada limited liability company ("E.Three"), AmerescoSolutions, Inc., a North Carolina corporation ("AmerescoSolutions"), Ameresco Planergy Housing, Inc., a Delaware corporation ("Planergy"), Solutions Holdings, LLC, a Delaware limited liability company ("Exelon"), Ameresco Federal Solutions, Inc., a Tennessee corporation ("Federal Solutions"), Sierra Energy Company, a Nevada corporation ("Sierra Energy"), Ameresco Select, Inc., a Massachusetts corporation ("Select"), Ameresco Hawaii LLC, a Delaware limited liability company ("Hawaii"), Ameresco Solar-Solutions, Inc., a Texas corporation ("Solar-Solutions"), Ameresco Solar-Products LLC, a Delaware limited liability company ("Solar-Products"), Ameresco Solar, LLC, a Delaware limited liability company ("Solar"), Ameresco Solar-Technologies LLC, a Delaware limited liability company ("Solar-Technologies"), Ameresco Woodland Meadows Romulus LLC, a Delaware limited liability company ("Woodland"), and Ameresco Northampton LLC, a Delaware limited liability company ("Northampton") (Enertech, E.Three, AmerescoSolutions, Planergy, Exelon, Federal Solutions, Sierra Energy, Select, Hawaii, Solar-Solutions, Solar-Products, Solar, Solar-Technologies, Woodland and Northhampton collectively, the "Guarantors" and, collectively with the Borrower, the "Credit Parties"; Planergy, Exelon, Select, Hawaii, Solar-Products, Solar, Solar-Technologies, Woodland and Northampton are sometimes referred to herein individually as a "Delaware or Massachusetts Party" and collectively the "Delaware or Massachusetts Parties"), the Lenders from time to time party thereto (the "Lenders"), and Bank of America, N.A., as administrative agent for the Lenders (the "Administrative Agent"). Except as otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

We have acted as special counsel for the Credit Parties in connection with the Credit Agreement and the other Loan Documents, as defined below, and the documents and agreements delivered pursuant to the Loan Documents at the Effective Time. We note that prior to the negotiation of the transactions contemplated by the Prior Credit Agreement we did not act as counsel to the Credit Parties with respect to any matters. We also note that we do not act as general counsel to the Borrower or any of its subsidiaries. The Borrower and its subsidiaries (a) have in-house counsel and (b) regularly retain the services of various outside counsel. Accordingly, our knowledge of the business and affairs of the Credit Parties is necessarily limited.

In connection with this opinion, we have reviewed the following documents:

(1) the Credit Agreement;

(2) the Revolving Credit Notes issued by the Borrower as of the date hereof;

(3) the Swing Loan Note;

(4) the Pledge Agreement;

(5) the Subordination Agreement;

(6) the Uniform Commercial Code ("UCC") Financing Statements copies of which are attached hereto as Exhibit A (the "UCC Financing Statements");

(7) the Perfection Certificates completed and executed by the Borrower and each Guarantor;

(8) the Certificate of Incorporation, Certificate of Formation, bylaws, operating agreements, and other organizational documents of the Borrower and each of the Guarantors; and

(9) the Certificate of good standing for the Borrower and each of the Guarantors.

The documents in clauses (1) through (5) are sometimes collectively referred to herein as the "Loan Documents" and each individually as a "Loan Document". The UCC Financing Statements include those financing statements filed in connection with the Prior Credit Agreement. The documents in clause (8) and (9) are collectively referred to herein as the "Organizational Documents". We express no opinion as to any of the agreements, documents or instruments referred to herein other than the Loan Documents, UCC Financing Statements, and Organizational Documents, and our opinion in paragraphs 1 and 2 below concerning the legal existence and good standing of the Borrower and each of the Delaware or Massachusetts Parties is based solely on such certificates and is given as of the date of such certificates.

In addition to the foregoing, we have examined (a) the original or certified, conformed or photostatic copies for the Borrower and each Guarantor of their (i) Organizational Documents, as amended to date, (ii) its bylaws or limited liability company operating agreement, as applicable, as amended to date, and (iii) records of all corporate proceedings relating to the Loans; (b) the certificate of officers' of the Credit Parties attached hereto as Exhibit B (the "Officers' Certificate"); and (c) such other documents, records, certificates and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed. We have also examined the Uniform Commercial Code as enacted and in effect in The Commonwealth of Massachusetts on the date hereof ("MA UCC").

In our examination we have also assumed the genuiness of all signatures (other than those on behalf of the Borrower and the Guarantors), the legal capacity of the natural Persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts material to this letter, we have relied solely upon (and have assumed without investigating the accuracy or completeness of) written certificates, statements and representations of officers and other representatives of the Borrower and the Guarantors (including without limitation the representations and warranties contained in the Loan Documents), and upon certificates of public officials.

With respect to Chapter 271, §49 of the Massachusetts General Laws, we have assumed with your permission that you and each Lender are subject to control, regulation or examination by one or more state or federal regulatory agencies. Section 49 provides that it is unlawful to take or receive in exchange for a loan recovery of interest and expenses which in the aggregate exceed 20% per annum unless the lender shall have made the filing contemplated by §49 prior to making the loan or is a "lender subject to control, regulation or examination by a state or federal regulatory agency."

We have not made any independent review or investigation as to any factual matters in connection with the issuance of the opinions contained herein (including, without limitation, conducting any docket searches or other searches) and any limited inquiry undertaken by us during the preparation of this opinion letter should not in any way be regarded as such investigation. Whenever our opinion with respect to the existence of facts is indicated to be based upon our knowledge or the like, we are referring to the actual knowledge of only those Choate, Hall & Stewart LLP attorneys who were actively involved in our representation of the Borrower and the Guarantors in connection with the transactions contemplated by the Loan Documents.

Our opinions contained herein are subject to the qualifications (a) that validity and enforceability may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, fraudulent conveyance, equitable subordination or other similar laws or doctrines now or hereafter in effect relating to creditors' rights generally, (ii) general principles of equity (regardless of whether considered at a proceeding in equity or at law), including without limitation the principle that equitable remedies, such as the remedy of specific performance, are subject to the discretion of the court before which any proceeding therefor may be brought, (iii) statutory and decisional law concerning recourse by creditors to security in absence of notice and hearing and (iv) duties and standards imposed on parties, including, without limitation, the duties of good faith and fair dealing; (b) that we express no opinion as to the validity or enforceability of (i) any provision contained in any of the Loan Documents providing for rights of indemnity and/or contribution, (ii) any provision contained in any of the Loan Documents purporting to waive (or having the effect of waiving) any rights under the constitution or laws of the United States of America or any state or commonwealth, or any provision purporting to waive any rights in connection with any bankruptcy or insolvency or which is otherwise contrary to public policy, (iii) any choice of law provision in any of the Loan

Documents, or any provision restricting access to legal or equitable remedies, (iv) any provision which provides that any jurisdiction is the exclusive forum for any dispute, (v) the rights and remedies purportedly granted to the Administrative Agent and Lenders in Sections 4.4, 4.5 and 9.2 of the Credit Agreement, and any similar section in any other Loan Document, or any consent to receivership or similar proceeding contained in Section 9.3 of the Credit Agreement, and any similar section in any other Loan Document, (vi) any provision providing that the failure to exercise any right, remedy or option under any Loan Document shall not operate as a waiver thereof, or any provision providing that amendments, waivers or modifications to any Loan Document must be in writing, (vii) any provision contained in any Loan Documents providing for the release of, or having the effect of releasing, any Person prospectively from any liability from its own wrongful or negligent acts or for breach of any agreement, (viii) any powers of attorney purported to be granted in any of the Loan Documents, (ix) any provision providing for the payment of interest on overdue installments of interest, default interest or prepayment premiums or charges and (x) any provision purporting to establish an evidentiary standard; and (c) certain portions of the Loan Documents may be unenforceable in whole or in part, although the inclusion of such provisions therein does not render the Loan Documents invalid, and the Loan Documents contain adequate provisions for the practical realization of the principal rights and benefits purported to be afforded thereby (subject to the other qualifications contained in this opinion and the economic consequences of any delay that may arise from the unenforceability of any provision).

In rendering this opinion, we have assumed that no party will exercise any right or remedy except in an equitable and commercially reasonable manner and in good faith, and that each party to any of the Loan Documents has received the agreed upon consideration, and, if a Loan Document does not recite that it is executed as an instrument under the seal, that such consideration is legally sufficient. We have also assumed that each party to the Loan Documents has all requisite power and authority and has taken all necessary corporate or other action (including, without limitation, obtaining all governmental approvals, authorizations and consents and making all necessary filings with all applicable governmental entities required on its part) necessary to authorize, execute, enter into and perform its obligations under each Loan Document to which it is a party and to effect the respective transactions contemplated thereby, and that each such Loan Document constitutes the legal, valid and binding obligation of each such other party and is enforceable against each such other party in accordance with the respective terms thereof. We have also assumed that all laws, rules, regulations and decisions applicable to this opinion are generally available in terms of access and distribution following publication or other release and are in a format which makes legal research reasonably feasible.

The opinions expressed herein do not purport to cover, and we express no opinion with respect to the applicability of, Section 548 of the United States Bankruptcy Code or any comparable provision of state law. In addition, we express no opinion as to whether a subsidiary may guarantee or otherwise become liable for, or pledge its assets to secure, indebtedness incurred by its parent except to the extent such subsidiary may be determined to have benefited from the incurrence of such indebtedness, or as to whether such benefit may be measured other than by the extent to which the proceeds of such indebtedness are directly or indirectly made available to such subsidiary for its corporate purposes.

We have also assumed that for each Guarantor such Guarantor's obligations under its Guarantee and any Loan Documents to which it is a party are in furtherance of its corporate purposes and necessary or convenient to the conduct, promotion or attainment of its business, that each such Guarantor has obtained consideration that is fair and sufficient to support its Guarantee and any Loan Document to which it is a party and that a court of competent jurisdiction would deem such consideration to have been duly received by each such Guarantor.

We express no opinion as to any of the agreements, documents or instruments referred to herein other than the Loan Documents. We also express no opinion as to any matters that would be excluded by Section 19 of the Legal Opinion Accord of the ABA Section of Business Law were it to govern this letter unless such matter is expressly contained in this opinion. We also express no opinion as to any matters that arise solely as a result of any laws, orders, rules, regulations or limitations created or issued by any federal, state or municipal authority or any agency or subdivision thereof, which regulates any portion of the Borrower's or any Guarantors' business. We direct your attention to the fact that our opinions are limited in scope consistent with the Legal Opinion Principles issued by the Committee on Legal Opinions of the American Bar Association's Business Law Section as published in 53 Business Lawyers 831 (May, 1998).

With regard to the opinions expressed in paragraphs (1) and (2) below as to the valid existence and good standing and as to the valid organization or incorporation, of the Borrower and the Delaware or Massachusetts Parties as applicable, we have assumed the accuracy and completeness of, and have relied solely upon, certificates of governmental officials, dated on or after May 26, 2008.

We note that you are relying on the opinions of Kennedy Covington Lobdell & Hickman, L.L.P. (with respect to matters of North Carolina law), Parsons Behle & Latimer (with respect to matters of Nevada law), Frost Brown Todd LLC (with respect to matters of Kentucky and Tennessee law) and Porter & Hedges LLP (with respect to matters of Texas law) (such opinions collectively referred to as the "Local Counsel Opinions") as to the due organization and existence of AmerescoSolutions, Sierra Energy, E.Three, Enertech, Federal Solutions and Solar-Solutions (collectively, referred to as the "Non-Delaware or Massachusetts Companies"), respectively, and the due authorization, execution and delivery of the documents to be executed and delivered by the Non-Delaware or Massachusetts Companies and to such other matters as set forth in the Local Counsel Opinions. We express no opinion regarding the matters contained in the Local Counsel Opinions or to any choice of laws applicable to the obligations of the Non-Delaware or Massachusetts Companies. We have assumed herein the due authorization, execution and delivery of the Credit Agreement and other Loan Documents by the Non-Delaware or Massachusetts Companies, that all actions have been taken by the Non-Delaware or Massachusetts Companies which are necessary to creating a valid, legal and binding obligation under applicable state law, that the Non-Delaware or Massachusetts Companies do not violate any applicable state law or regulation by incurring the obligations contained in the Credit Agreement and that the laws of The Commonwealth of Massachusetts (without giving effect to any choice of laws provisions thereunder) apply to the obligations of the Non-Delaware or Massachusetts Companies under the Credit Agreement and other Loan Documents.

Our opinions herein are limited to the effect on the subject transactions of the internal laws of the Commonwealth of Massachusetts (without giving affect to conflicts of laws principles), the Delaware General Corporation Law, the Delaware Limited Liability Company Act and the Uniform Commercial Code in effect on the date hereof in the State of Delaware ("DE UCC"), in each case, in our experience, normally applicable to credit transactions of the type contemplated by the Loan Documents. We express no opinion as to the applicability or effect of any other laws. We render no opinion on matters except as specifically stated herein.

In rendering our opinions set forth in paragraphs 8 and 9 below, we have assumed that no part of the Collateral identified in the Loan Documents in respect of which provision is made in the Loan Documents for a lien or security interest (other than the Non-Delaware or Massachusetts Companies) consists of property subject to a United States statute or treaty providing for a national or international recordation, registration, or certificate of title, or specifying a place for filing different from that specified in Article 9 of the DE UCC or MA UCC. Without limiting any other provisions contained in this opinion, our opinion in paragraph 10 below is rendered solely to the extent that the MA UCC as in effect on the date hereof, is applicable to such matters and we express no opinion as to such applicability.

We have made no examination of, and express no opinion herein as to (i) the right, title or interest of any Person to any of the property, tangible or intangible, that constitutes any of the Collateral; (ii) the existence of any liens, security interests, charges or encumbrances (other than those created by the Loan Documents) on the Collateral; (iii) the value of any security granted to the Administrative Agent; (iv) the creation or enforceability of any security interest other than in the Collateral; (v) the ranking or priority of any liens or security interests; (vi) the perfection of any security interest in any collateral other than the Collateral; or (vii) matters regarding the classification of property as real or Personal property. We have assumed that the Collateral is in existence.

We also call your attention to the following provisions of the DE UCC and the MA UCC:

(i) the effectiveness of DE UCC and MA UCC financing statements will lapse at a statutorily defined time (generally five years after the date of filing) unless a continuation statement is filed prior to such lapse in accordance with the DE UCC or the MA UCC, as applicable;

(ii) Section 9-507(c) of each of the DE UCC and MA UCC provides that, if a debtor so changes its name that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by such debtor more than four months after the change unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within four months after the change;

(iii) under certain circumstances described in Section 9-315 of each of the DE UCC and MA UCC, the rights of a secured party to enforce a perfected security interest in proceeds of collateral may be limited;

(iv) continued perfection of security interest may require the filing of new appropriate financing statements or of amendments to financing statements in the event of a change of the name, location or legal identity of structure of the borrower or, in certain cases, the location of the collateral;

(v) Section 552 of the United States Bankruptcy Code (11 U.S.C. § 552) limits the extent to which property acquired by a debtor after the commencement of a case under the Bankruptcy Code may be subject to a lien resulting from any security agreement entered into the debtor before the commencement of the case; and

(vi) under certain circumstances described in Section 9-320 of each of the DE UCC and MA UCC, purchasers of collateral may take the same free of a perfected security interest.

Based on the foregoing, and subject to the qualifications set forth herein, it is our opinion that:

1. The Borrower is a validly existing corporation, in good standing under the laws of the State of Delaware, and has the requisite power and authority to own its properties and, to our knowledge, to transact the business in which it is engaged.

2. Planergy is a validly existing corporation, in good standing under the laws of the State of Delaware. Each of Exelon, Hawaii, Solar-Products, Solar, Solar-Technologies, Woodland and Northampton is a limited liability company validly existing and in good standing under the laws of the State of Delaware. Select is a corporation validly existing and in good standing under the laws of the Commonwealth of Massachusetts. Each of the Delaware or Massachusetts Parties has the requisite power and authority to own its respective properties and, to our knowledge, to transact its respective business in which it is engaged.

3. The Borrower and each Delaware or Massachusetts Party have the power to execute, deliver and carry out the terms and provisions of each of the Loan Documents to which the Borrower and each Delaware or Massachusetts Party is a party, and the Borrower and each Delaware or Massachusetts Party have taken or caused to be taken all necessary action to authorize the execution, delivery and performance of each of the Loan Documents to which the Borrower or any such Delaware or Massachusetts Party, as applicable, is a party.

4. Neither the execution and delivery of the Loan Documents by the Borrower or any of the Delaware or Massachusetts Parties who is a party thereto, nor compliance with any of the provisions thereof, will violate any law or regulation applicable to the Borrower or any Delaware or Massachusetts Party, result in the creation or imposition of any Lien upon any of the property of the Borrower or any Delaware or Massachusetts Party (except in favor of the Administrative Agent) or, to our knowledge, any order or decree of any court or governmental instrumentality specifically naming the Borrower or any Delaware or Massachusetts Party or violate any provision of any of the Organizational Documents of the Borrower or any Delaware or Massachusetts Party.

5. The execution, delivery and performance of the Loan Documents by each of the Borrower and each Delaware or Massachusetts Party, respectively, does not require and will not require the consent of, any exemption by, or any registration or filing (other than filing the

Financing Statements pursuant to the MA UCC or DE UCC, as applicable) with any court, government or regulatory authority.

6. Each of the Loan Documents has been duly executed and delivered by each of the Credit Parties which is a party thereto. The Loan Documents are the valid and binding obligations of each of the Credit Parties, to the extent each of them is a party thereto, enforceable against each such Credit Party in accordance with their respective terms.

7. Relying upon the representations and warranties of the Borrower in Section 5.8 of the Credit Agreement, the Borrower and the Guarantors are not individually or collectively (a) an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) a "bank holding company" within the meaning of the Bank Holding Company Act of 1956, as amended.

8. Assuming that (a) each of the Credit Parties has authenticated the provisions in Section 4.1 of the Credit Agreement that provide a description of the Collateral, (b) value has been given to the Credit Parties by the Administrative Agent and each other party seeking to obtain the benefit of the Credit Agreement and Pledge Agreement and (c) the Credit Parties (other than the Non-Delaware or Massachusetts Companies) have rights in such collateral as contemplated by Section 9-203 of the MA UCC, the Credit Agreement creates in favor of the Agent, for its own benefit and the ratable benefit of the other Lenders, a valid and enforceable security interest in that part of the Collateral in which a security interest may be created under Article 9 of the MA UCC.

9. Under the MA UCC (including the conflict of laws provisions thereof), the internal laws of the Commonwealth of Massachusetts (with respect to Select) and the State of Delaware (with respect to Planergy, Exelon, Hawaii, Solar-Products, Solar, Solar-Technologies, Woodland and Northampton) govern the perfection, by the filing of financing statements, of the Administrative Agent's security interest in the Collateral of each Credit Party (other than the Non-Delaware or Massachusetts Companies) in which a security interest may be perfected by filing. Upon the proper filing of the UCC Financing Statements in the Office of the Secretary of the Commonwealth of Massachusetts (with respect to Select) and the Office of the Secretary of State of the State of Delaware (with respect to Planergy, Exelon, Hawaii, Solar-Products, Solar, Solar-Technologies, Woodland and Northampton), assuming the accuracy of the assumptions in paragraph 8, the security interests of the Administrative Agent on behalf of the Lenders in the Collateral in which a security interest may be created under Article 9 of the MA UCC or DE UCC, as applicable, will be perfected to the extent that the MA UCC or DE UCC, as applicable, provides that such security interests may be perfected solely by the filing of financing statements.

10. Assuming that (a) any certificated securities or instruments (as such terms are defined in the MA UCC) which constitute part of the Collateral (as defined in the Credit Agreement) are delivered to the Administrative Agent in The Commonwealth of Massachusetts and that the Administrative Agent takes possession of such certificated securities or instruments in good faith and without notice, prior to or on the date of such delivery, of an adverse claim thereto, within the meaning of the MA UCC, and further assuming that the Administrative Agent retains continuous possession thereof, (b) value has been given to the Borrower by the

Administrative Agent and each other party seeking to obtain the benefit of the Pledge Agreement, and (c) the Borrower has rights in such Collateral as contemplated by Section 9-203 of the MA UCC, the security interest granted to the Administrative Agent by the Borrower pursuant to the Pledge Agreement creates in favor of the Administrative Agent a perfected security interest in the Borrower's right, title and interest in any such certificated securities or instruments in favor of the Administrative Agent.

11. Relying upon the representations and warranties of the Borrower in Section 5.15 of the Credit Agreement, the making of the Loans, the use of the proceeds thereof as required by the Credit Agreement and the security arrangements contemplated by the Loan Documents will not violate or be inconsistent with any of the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

We render no opinion on matters except as specifically stated herein. This opinion is given and speaks only as of the date hereof and is limited to our knowledge of the facts and the laws, statutes, rules and regulations, and judicial and administrative interpretations thereof, as currently in effect. These are all subject to change and such change may be made with retroactive effect. We assume no obligation to advise the Administrative Agent or other Lenders of changes of any kind that may hereafter be brought to our attention even if such changes would affect our opinion or to update or supplement this opinion after the date hereof. This opinion is solely for the benefit of the Administrative Agent and other Lenders solely in connection with the closing this day under the Credit Agreement, is not to be used or relied upon by such Persons for any other purpose, and may not be furnished, quoted or otherwise referred to, or relied upon by any other Person for any purpose without our prior written consent, except that this opinion may be relied upon by independent auditors and financial institutions in connection the participation or assignment of the interests of the Administrative Agent and Lenders in the Loan Documents, as permitted by the terms thereof.

Very truly yours

EXHIBIT A

UCC Financing Statements

Please see the following pages.

EXHIBIT B

Officers' Certificate

Please see the following pages.

EXHIBIT I

FORM OF SOLVENCY CERTIFICATE

The undersigned, Chief Financial Officer of Ameresco, Inc., a Delaware corporation (the "Borrower") is duly authorized to execute this certificate on this ___________ day of June, 2008, on behalf of itself and the Guarantors under the Credit Agreement defined below.

W I T N E S S E T H:

WHEREAS, the Borrower has entered into an Amended and Restated Credit and Security Agreement dated as of the date hereof (as amended and modified from time to time, the "Credit Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement) with the Guarantors party thereto (the "Guarantors" and together with the Borrower, the "Credit Parties"), the Lenders from time to time party thereto, and Bank of America, N.A., as administrative agent (the "Agent"), pursuant to which the Lenders have established credit facilities in the aggregate principal amount of $50,000,000 (the "Credit Facilities") in favor of the Borrower;

WHEREAS, each of the Credit Parties will benefit substantially and directly from the establishment of the Credit Facilities in favor of the Borrower;

WHEREAS, to secure their respective obligations under and relating to the Credit Facilities, the Credit Parties have executed and delivered to the Agent the Loan Documents referenced in the Credit Agreement (the grant of security interests, transfers, incurrence of obligations and other transactions relating to the execution, delivery and performance of the obligations under the Loan Documents, and any other transactions and transfers related thereto, shall be referred to herein collectively as the "Transactions");

WHEREAS, the undersigned has carefully reviewed the Credit Agreement and the various other Loan Documents, and also the contents of this Certificate, and in connection herewith has made such investigations and inquiries as he has deemed reasonably necessary and prudent therefor, and further acknowledges that the Agent and the Lenders are relying on the truth and accuracy of this Certificate in connection with the establishment of the Credit Facilities;

WHEREAS, the following terms, as used in this Certificate, shall have the following meanings:

"fair value" shall mean the amount at which the assets of an entity would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having knowledge of the relevant facts, neither being under any compulsion to act, with equity to both;

"indebtedness" shall mean all obligations and liabilities, whether matured or unmatured, liquidated or unliquidated, disputed or undisputed, secured or unsecured, or subordinated, and also includes all identified contingent liabilities;

"identified contingent liabilities" shall mean the maximum reasonably estimated liabilities that may result from pending litigation, asserted claims and assessments, guaranties, environmental conditions, uninsured risks, and other contingent obligations known to management;

"present fair saleable value" shall mean the amount that may be realized within a reasonable time, considered to be six months to one year, either through collection or sale at the regular market value, conceiving the latter as the amount which could be obtained for such properties within such period by a capable and diligent businessman from an interested buyer who is willing to purchase under ordinary selling conditions).

NOW, THEREFORE, ON THE BASIS OF THE FOREGOING, and the inquiries and considerations set forth below, the undersigned hereby certifies that, both before and after giving effect to the consummation of the Transactions:

1. I am, and at all pertinent times mentioned herein, have been, the duly qualified and acting Chief Financial Officer of the Borrower, and have responsibility for the management of the financial affairs of the Credit Parties, and the preparation of the financial statements of the Credit Parties.

2. The financial information, projections and assumptions which underlie and form the basis for the representations made in this Certificate were believed by the Credit Parties to be fair and reasonable when made, were accurately computed and were made in good faith and continue to be believed by the Credit Parties to be reasonable as of the date hereof.

3. I have carefully reviewed the contents of this Certificate, and I have conferred with counsel for the purpose of discussing the meaning of this Certificate.

4. The fair value and present fair saleable value on a going concern basis of all assets and property of the Credit Parties, on a consolidated basis, is greater than the total amount of indebtedness of the Credit Parties, on a consolidated basis.

5. The aggregate fair value and present fair saleable value on a going concern basis of the assets of the Credit Parties, on a consolidated basis, exceeds the amount that will be required to pay the probable liabilities of the Credit Parties, on a consolidated basis, in respect of their indebtedness, as such indebtedness becomes absolute and matured.

6. The Credit Parties, on a consolidated basis, do not and will not have an unreasonably small capital for them to carry on their businesses as now conducted and as proposed to be conducted after the closing of the Transactions. The undersigned recognizes that "unreasonably small capital" is dependent upon the nature of the particular business or businesses conducted or to be conducted, and the statement made in the preceding sentence is

based upon the current and anticipated future capital requirements for the current and anticipated future conduct of the businesses of the Credit Parties.

7. The Credit Parties, on a consolidated basis, will have sufficient cash flow to enable them to pay their debts as they mature.

8. The Credit Parties, on a consolidated basis, do not intend or believe that they have or will incur indebtedness that is or will be beyond their ability to pay as such indebtedness matures.

9. The Credit Parties, on a consolidated basis, do not intend, in consummating the Transactions, to hinder, delay, or defraud either present or future creditors or any other person to which the Credit Parties, on a consolidated basis, are or will become, on or after the date hereof, indebted.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate on the day and year first mentioned above, on behalf of the Credit Parties.

AMERESCO, INC.

By: __________________________________
Name:
Title: Chief Financial Officer

[Signature Page to Solvency Certificate]

EXHIBIT J

FORM
OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between **[the][each] Assignor** identified in item 1 below ([the][each, an] "Assignor") and **[the][each] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.]**. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, the Letters of Credit and Swing Loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as, [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: ____________________

2. Assignee[s]: ____________________ **for each Assignee, indicate Affiliate of [identify Lender]]**

3. Borrower: Ameresco, Inc.

4. Administrative Agent: Bank of America, N. A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Amended and Restated Credit and Security Agreement, dated as of June ___, 2008, among Ameresco, Inc., as Borrower, the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Commitment/ Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/ Loans	CUSIP No.
		_____	$ _____	$ _____	_____%	_____
		_____	$ _____	$ _____	_____%	_____
		_____	$ _____	$ _____	_____%	_____

[7. Trade Date: ______________________]

Effective Date: ______________________, 20___**[TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]**

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: ____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ____
Title:

[Consented to and] Accepted:

Bank of America, N. A., as
Administrative Agent

By: ____
Title:

[Consented to:]

By: ____
Title:

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.4(b)(iii),(v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.4(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, and (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest (vi) it has independently and without reliance upon Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective

Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the Commonwealth of Massachusetts.

Exhibit 10.17

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("Amendment") dated for reference and effective for all purposes as of January 1, 2010, by and between **RREEF AMERICA REIT III-Z1 LLC,** a Delaware limited liability company ("Landlord"), successor in interest to BCIA New England Holdings LLC ("BCIA"), a Delaware limited liability company, and **AMERESCO, INC.**, a Delaware corporation ("Tenant").

RECITALS:

A. BCIA and Tenant entered into that certain Lease dated November 20, 2000 ("Original Lease"), for approximately 11,684 rentable square feet ("Original Premises") on the fourth (4th) floor of the building known as Point West Place, 111 Speen Street, Framingham, Massachusetts (the "Building").

B. BCIA and Tenant entered into the First Amendment To Lease dated November 30, 2001 ("First Amendment") and expanded the Original Premises by including an additional 864 rentable square feet on the 4th floor of the Building totaling 12,548 rentable square feet.

C. BCIA and Tenant entered into the Second Amendment To Lease and Expansion Agreement dated April 8, 2005 ("Second Amendment") and expanded the already expanded Original Premises by including an additional 2,447 rentable square feet on the 4th floor of the Building totaling 14,995 rentable square feet (herein referred to as the "Current Premises). In addition, BCIA licensed to Tenant pursuant to a certain Storage Space License, attached to the Second Amendment, the use of approximately 400 rentable square feet of storage area in the basement of the Building as therein referred to as the Storage Space.

D. Landlord succeeded to all of the right, title and interest of BCIA under the Lease.

E. Landlord and Tenant entered into the Third Amendment To Lease and Expansion Agreement dated April 17, 2007 ("Third Amendment") and expanded the already expanded Original Premises by including an additional 5,362 rentable square feet on the 4th floor of the Building, so that the total rentable square footage of the Premises on the 4th floor of the Building is 20,357 rentable square feet (herein referred to as the "Premises").

F. The Original Lease, as amended by the First Amendment, Second Amendment and Third Amendment, is herein referred to as the Lease.

G. Tenant and Landlord now desire to, further amend the Lease to extend the Term and provide for certain other Lease modifications, on the terms and conditions as hereinafter set forth.

H. All terms, covenants and conditions contained in this Amendment shall have the same meaning as in the Lease, and in the event of a conflict, this Amendment shall govern should a conflict exist with previous terms and conditions.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Recitals. The recitals set forth above are hereby incorporated herein as if fully set forth.

2. Capitalized Terms. All capitalized terms used herein shall have the same meanings ascribed to them in the Lease, unless otherwise defined in this Amendment.

3. Term. The existing Term, which is scheduled to expire December 31, 2010, is hereby extended to expire on June 30, 2016.

4. Rent Schedule. Effective January 1, 2010, Tenant shall pay Basic Rent for the Premises according to the following schedule:

Period		Rentable Square Footage	Annual Rent Per Square Foot	Annual Rent	Monthly Installment of Rent
from	through				
1/1/2010	12/31/2010	20,357	$ 19.50	$396,961.50*	$ 33,080.13
1/1/2011	12/31/2011	20,357	$ 20.00	$407,140.00	$ 33,928.33
1/1/2012	12/31/2012	20,357	$ 20.50	$417,318.50	$ 34,776.54
1/1/2013	12/31/2013	20,357	$ 21.00	$427,497.00	$ 35,624.75
1/1/2014	12/31/2014	20,357	$ 21.50	$437,675.50	$ 36,472.96
1/1/2015	12/31/2015	20,357	$ 22.00	$447,854.00	$ 37,321.17
1/1/2016	6/30/2016	20,357	$ 22.50	$458,032.50	$ 38,169.38

* Tenant shall be entitled to six (6) months of abatement of the Monthly Installment of Rent in calendar 2010, commencing with the Monthly Installment of Rent for May 2010, through October 2010 inclusive.

5. Condition of Premises. Landlord shall perform certain work and provide an allowance as provided in Exhibit A which is attached hereto and made a part of this Amendment. Otherwise, Tenant acknowledges that (i) Landlord shall have no obligation to perform any

additional construction or make any additional improvements or alterations, or to afford any allowance to Tenant for improvements or alterations, in connection with this Amendment, (ii) all Landlord obligations of construction and/or reimbursement for cost of same have been satisfied, and (iii) Tenant accepts the Premises in its "as is" condition.

6. Base Year for Operating Expenses. The Base Year for Operating Expenses shall be calendar year 2010. Section 9.1 of the Lease, is modified as follows: The definition of "Operating Expenses" as originally set forth therein shall now be modified to include the following: There shall be no escalation charges for the first twelve months of the Term and the Base Year shall be calculated on a full twelve month period, with such calculation reflecting a fully occupied building. It is also understood that the management fee previously allowed shall now be more specifically defined by including the following: Operating Expenses shall include a management fee equal to the amounts customarily charged by professional property management firms providing a similar level of service in similar properties in the same rental market. As a part of its portfolio optimization plan, Landlord reevaluates and competitively bids its contracts at approximately thirty six month intervals.

7. Base Year for Taxes. The Base Year for Taxes shall be the twelve (12) month period beginning July 1, 2009.

8. Security Deposit. No security deposit will be required.

9. Storage Space License. The approximately 400 rentable square feet of storage area in the basement of the Building which was referred to as the Storage Space in the Storage Space License attached to the Second Amendment, shall continue in full force and effect, at the current rate of Two Thousand Dollars ($2,000) per year, payable in equal monthly installments of $166.67. Tenant shall have the right to cancel the Storage Space upon the giving of two (2) months written Notice to Landlord.

10. Tenant Electricity. Landlord shall install a check-meter or submeter, within sixteen (16) weeks after execution of this Amendment, which will measure Tenant's actual consumption of electricity in the Premises. From and after the date such meter is placed into service, the third sentence of Section 7.4(b) of the Lease is amended in its entirety to state as follows: "Landlord shall charge Tenant for (i) all electricity consumed in the Premises based on check-meter or submeter readings, at the same rate as is charged to Landlord by the applicable utility provider, plus (ii) as part of operating expenses, Tenant's Proportionate Share of the electricity and natural gas used in connection with the HVAC system and common areas for the Building. Landlord shall provide Tenant with submeter readings and electric bill and rate information so that Tenant can verify the amounts charged by Landlord to Tenant. From and after the date such meter is placed into service, the definition "Cost of Tenant's Electricity for Lights and Plugs," as defined in Section 1.1 of the Lease shall be null and void.

11. Renewal Option. In lieu of all other renewal options provided for in the Lease, Tenant shall, provided Tenant is not in default under any of the material terms and conditions of the Lease at the time of notification, have one (1) option to renew this Lease for a term of five (5) years, for the portion of the Premises being leased by Tenant as of the date the renewal term

is to commence, on the same terms and conditions set forth in the Lease, except as modified by the terms, and conditions as set forth below:

(a) If Tenant elects to exercise said option, then Tenant shall provide Landlord with written notice no earlier than the date which is twelve (12) months prior to the expiration of the Term of the Lease but no later than the date which is nine (9) months prior to the expiration of the Term of this Lease. If Tenant fails to provide such notice, Tenant shall have no further or additional right to extend or renew the Term of the Lease.

(b) The Basic Rent in effect at the expiration of the Term of the Lease shall be adjusted to reflect the current fair market rental for comparable space in the Building and in other similar buildings in the same rental market as of the date the renewal term is to commence, taking into account the specific provisions of the Lease which will remain constant. Landlord shall advise Tenant of the new Basic Rent for the Premises no later than sixty (60) days after receipt of Tenant's written request therefor. For purposes of this Lease, Tenant's written exercise of the option shall serve as the written request therefor. In no event shall the new Basic Rent be less than the Basic Rent in the preceding period.

(c) This option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid option to renew this Lease shall be "personal" to Tenant as set forth above and that in no event will any assignee or sublessee have any rights to exercise the aforesaid option to renew except for an affiliate of Tenant.

12. Right of First Refusal to Lease. All previous rights of first offer and other expansion rights provided for in the Lease are hereby deleted. In lieu thereof, provided Tenant is not then in default under the Lease, Tenant shall have the right to lease, after expiration of the current lease thereof, (i) approximately 1,172 rentable square feet on the 4th floor of the Building as shown on Exhibit C, and (ii) approximately 1,474 rentable square feet on the 4th floor of the Building as shown on Exhibit C (each, an "Expansion Space") at such time as Landlord receives an offer from a third party to lease an Expansion Space which Landlord is prepared to accept (the "Offer"). In such a case, Landlord shall give written notice to Tenant of the Offer, in all its particulars and Tenant shall have a period of ten (10) business days in which to exercise Tenant's right to lease the Expansion Space, failing which Landlord may lease all or some portion of the Expansion Premises to the third party on the basis of the Offer. In the event such third party does not lease the Expansion Space pursuant to the Offer, Landlord shall be obligated to follow the foregoing procedure for any subsequent Offer which it receives. If such third party does lease the Expansion Space pursuant to the Offer, Tenant's right of first refusal with respect to that Expansion Space shall continue. If Tenant exercises its option to include the Expansion Space hereunder, effective on the delivery date specified in the Offer, the Expansion Space shall automatically be included in the Premises and subject to all the terms and conditions of the Lease, except as set forth in the Offer and as follows:

(a) Tenant's Proportionate Share shall be recalculated, using the total square footage of the Premises, as increased by the Expansion Space.

(b) Except as set forth in the Offer, the Expansion Space shall be leased on an "as is" basis and Landlord shall have no obligation to improve the Expansion Space or grant Tenant any improvement allowance thereon.

(c) If requested by Landlord, Tenant shall, prior to the beginning of the term for the Expansion Space, execute a written memorandum confirming the inclusion of the Expansion Space and the Basic Rent for the Expansion Space.

(d) Notwithstanding the foregoing, Tenant shall have no right to lease the Expansion Space if the Termination Date under this Lease is prior to the date on which the term of the lease of the Expansion Space would expire under the terms under which Landlord intends to offer the Expansion Space to the public ("Expansion Termination Date") (e.g., if only one year remains in the term of this Lease but Landlord requires a minimum term of three years for the Expansion Space, Tenant would have no right to lease the Expansion Space). However, if Tenant has a remaining renewal option which, if properly exercised, would extend the Termination Date of this Lease to or beyond the Expansion Termination Date, Tenant shall have the right to lease the Expansion Space if, concurrently with its exercise of that right, it also exercises such renewal option.

(e) The current term of the lease of the 1,172 RSF Expansion Space expires on May 31, 2012, and the current term of the lease of the 1,474 RSF Expansion Space expires on April 30, 2012. However, nothing herein shall be construed as to prohibit Landlord from extending the term of the lease of any existing tenant or of any future tenant who first leases the Expansion Space after compliance with this Paragraph 12.

(f) This option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid right of first refusal shall be "personal" to Tenant as set forth above and that in no event will any assignee or sublessee have any rights to exercise the aforesaid right except for an affiliate of Tenant.

13. Right of First Offer to Purchase. Landlord hereby grants to Tenant a Right of First Offer to purchase the Property which includes the land in Framingham Massachusetts along with the Building and other improvements, (for this Right of First Offer Period, hereinafter the "Building") during the "Right of First Offer Period," which shall commence on the date of this Amendment and shall terminate upon expiration of this Lease.

(a) If, during the Right of First Offer Period, Landlord decides to sell the Building, Landlord shall provide to Tenant a letter of intent specifying the specific terms upon which Landlord wishes to sell the Building (the "Offering Notice"). If Tenant desires to purchase the Building, Tenant shall, within fifteen (15) business days after receipt of the Offering Notice, notify Landlord, in writing, either (i) that Tenant intends to exercise its Right of First Offer on the terms stated in the Offering Notice, or (ii) that Tenant declines to exercise its Right of First Offer. If Tenant fails to give such notice within such fifteen (15) business day period, Tenant will be deemed to have declined to exercise its Right of First Offer. If Tenant declines, or is deemed to have declined, to exercise its Right of First Offer, Tenant shall have no further exclusive or special right or option to purchase the Building, and, at Landlord's request, Tenant shall so confirm in a recordable instrument. This shall not, however, preclude Tenant from consideration as a purchaser in an open market purchase of the Building.

(b) If the Building is sold to a third party after full compliance with the terms of this Amendment and an Offering Notice, Tenant's Right of First Offer thereafter shall be null and void and shall not be binding on such purchaser nor applicable to any subsequent sale of the Building.

(c) If Tenant decides to purchase the Building under the terms of the Offering Notice, the Tenant shall within the fifteen (15) business day period execute the letter of intent presented by the Landlord and make a non-refundable deposit per the terms of the letter of intent, and close the transaction within 60 days.

(d) Notwithstanding anything in the foregoing to the contrary, Tenant's Right of First Offer shall not apply to, and Tenant shall have no right to purchase the Building in connection with, (i) the sale or transfer of the Building to an affiliate of Landlord or Landlord's investment manager (which sale or transfer shall not, however, void Tenant's Right of First Offer on a later sale or transfer in an arms length transaction), or (ii) the sale or proposed sale of the Building to a third party where the Building is a portion of a package or portfolio sale including one or more additional properties (and upon completion of such third party sale, Tenant's Right of First Offer shall be null and void).

(e) This option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid right of first offer shall be "personal" to Tenant as set forth above and that in no event will any assignee or sublessee have any rights to exercise the aforesaid right except for an affiliate, or shareholder of Tenant.

14. Commissions. Each of the parties represents and warrants that it has not dealt with any broker or finder in connection with this Amendment, except for Richards Barry Joyce & Partners, LLC, whose commission shall be paid by the Landlord pursuant to a separate agreement. Each party agrees to indemnify and hold the other harmless from any and all claims for commissions or fees in connection with the Premises and this Amendment from any other real estate broker or agent.

15. Parking Garage. The second sentence of Section 2.2(c) of the Original Lease, as modified, is replaced in its entirety by the following: "Three (3) of Tenant's Share of Parking Spaces shall be available for Tenant's use, on a non-exclusive, unreserved basis, in the parking garage on the Property."

16. Assignment and Subletting. In the first sentence of Section 6.3 of the Lease, the words "sixty percent (60%)" are replaced by "fifty percent (50%)."

17. Relocation. Section 15.5 of the Lease is deleted in its entirety. Landlord shall have no right of relocation.

18. Signage. So long as Tenant is not in default and occupies not less than 20,357 rentable square feet in the Building, Tenant shall be permitted to install identification signage on the exterior of the Building. Such signage (1) shall be consistent in size and quality with existing and any previous such signage at the Building, (2) shall be installed at Tenant's sole expense, and only after first receiving Landlord's approval of plans and specifications therefor, such approval not to be unreasonably withheld, as well as any necessary permits, and (3) must comply with all applicable laws, codes and ordinances. At the expiration or earlier termination of the Term, Tenant shall remove all such signage and repair any damage caused by such removal, all at Tenant's sole cost and expense.

19. Generator. Tenant will be permitted to install and maintain a generator, at its sole expense, for use for emergency backup power, on Landlord's property at a location designated by Landlord, subject to the following terms and conditions:

(a) The location of the generator must be acceptable to Landlord in its sole and absolute discretion.

(b) The specifications for the generator itself and for its installation, including mounting, screening and landscaping, are subject to Landlord's prior written approval.

(c) The generator must be screened and landscaped as required by local authorities. Tenant at its sole expense is responsible for obtaining any and all permits and other approvals required from the local authorities. Tenant, at its sole expense, shall comply with all terms and conditions of any such permits and approvals and with all applicable codes and ordinances, including, without limitation, any restrictions on times of testing or operation.

(d) Tenant, at its sole expense, shall at all times maintain and keep the generator and all appurtenances and related equipment in good condition and repair, and, without limiting any other provisions of the Lease, shall indemnify, defend and hold Landlord harmless from and against any and all claims, liabilities, judgments, costs and expenses (including reasonable attorneys fees and costs) arising out of or in any way related to Tenant's installation, use, maintenance, repair and removal of the generator and appurtenances and related equipment, including, without limitation, fuel leaks and electrical problems, except to the extent such claim is caused by or is arising from the negligence of Landlord its agents.

(e) The generator shall be and remain the property of Tenant during the Term and during such Term it shall be Tenant's obligation to maintain and keep the generator and all its appurtenances and related equipment in good condition and repair. Upon the expiration or sooner termination of the Term, the generator shall belong to Landlord without compensation, and title shall pass to Landlord under this Lease as by a bill of sale, and will be transferred **AS IS, WHERE IS AND WITH ALL FAULTS EXCLUDING WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR SUITABILITY**. However, if Landlord elects by notice given to Tenant at least thirty (30) days prior to expiration of the Term, Tenant shall, at Tenant's sole cost, remove the generator and all appurtenances and related equipment, and repair any damage caused by such removal, including removal of screening and re-landscaping so as to restore the area to a condition as previously found prior to the installation as reasonably required by Landlord.

20. Subordination and Non-Disturbance Agreement. Landlord shall obtain a Subordination and Non-Disturbance Agreement from its current lender in favor of Tenant, in the form of Exhibit B attached hereto.

21. Storage Space License. The Storage Space License, as attached to the Second Amendment, as modified by the Third Amendment, remains in full force and effect. Tenant may terminate the Storage Space License on not less than two (2) months prior written notice.

22. Incorporation. Except as modified herein, all other terms and conditions of the Lease and the Storage Space License shall continue in full force and effect and Tenant hereby ratifies and confirms its obligations thereunder. Tenant acknowledges that as of the date of the Amendment, Tenant (i) is not in default under the terms of the Lease; (ii) has no defense, set off or counterclaim to the enforcement by Landlord of the terms of the Lease; and (iii) is not aware of any action or inaction by Landlord that would constitute a default by Landlord under the Lease.

23. Tenant's Authority (OFAC). Tenant represents and warrants that Tenant has been and is qualified to do business in the state in which the Building is located, that Tenant has full right and authority to enter into this Lease, and that all persons signing on behalf of the entity were authorized to do so by appropriate actions. Tenant agrees to deliver to Landlord, simultaneously with the delivery of this Lease, a corporate resolution, proof of due authorization by partners, or other appropriate documentation reasonably acceptable to Landlord evidencing the due authorization of Tenant to enter into this Lease. To Tenant's knowledge, neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time during the Term, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

24. Limitation of Landlord Liability. Redress for any claim against Landlord under this Amendment and the Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Property. The obligations of Landlord under this Amendment and the Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager's trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first written above.

LANDLORD:		TENANT:	
RREEF AMERICA REIT III-Z1 LLC, a Delaware limited liability company		**AMERESCO, INC.**, a Delaware corporation	
By:	RREEF America L.L.C., a Delaware limited liability company, Authorized Agent		
By:	/s/ Robert D. Seaman	By:	/s/ Kathleen Devlin Ruggiero
Name:	Robert D. Seaman	Name:	Kathleen Devlin Ruggiero
Title:	Vice President, Asset Management	Title:	Vice President
Dated:	4.27, 2010	Dated:	4-23, 2010

EXHIBIT A

attached to and made a part of the
FOURTH AMENDMENT TO LEASE
between RREEF AMERICA REIT III-Z1 LLC
and AMERESCO, INC.
dated January 1, 2010

111 Speen Street, Framingham, MA

WORK

1. Landlord's Work. Landlord shall perform the following improvements to the Building:

1.1 Install automatic push-pad system at the front entrance.

1.2 Upgrade elevator control systems and door operators in accordance with the scope of work attached to this Exhibit as Schedule I.

2. Tenant's Work; Plans and Specifications.

2.1 Tenant shall employ professionals reasonably satisfactory to Landlord for preparation of the necessary architectural, mechanical and electrical plans, drawings and specifications pertaining to the construction work and improvements which Tenant intends to perform in the Premises at any time during the Term of this Amendment in connection with Tenant's occupancy ("Tenant's Work"). Tenant, at its expense, shall furnish Landlord with architectural and design plans and specifications ("Tenant's Plans") prepared first in preliminary form ("Preliminary Plans"), and thereafter in working form ("Working Drawings"), and covering the Tenant's Work. Tenant shall pay all costs and expenses relating to Tenant's Plans. All Tenant's Plans shall meet the requirements set forth in Schedule II.

2.2 Upon submittal of any portion of Tenant's Plans, Landlord shall review Tenant's Plans and shall either approve Tenant's Plans or advise Tenant in writing of any aspect of the design, engineering, construction or installation which is not acceptable to Landlord. Landlord shall advise Tenant of its approval or comments on the Tenant's Plans within seven (7) business days after Landlord's receipt of the Tenant's Plans. In the event that Landlord shall disapprove of any portion of Tenant's Plans, Tenant shall have ten (10) business days after Landlord's notification of its disapproval to revise Tenant's Plans and resubmit them to Landlord. In the event Landlord fails to approve or disapprove Tenant's Plans or any changes thereto within the time period set forth above, and if such failure continues thereafter for three (3) business days after Landlord's receipt of a second notice from Tenant requesting action on Tenant's Plans, Tenant's Plans or the changes shall be deemed to be approved.

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2.3 After approval of Tenant's Plans or any portion thereof, Tenant shall not in any way modify, revise or change such Plans without the prior written consent of Landlord. If Landlord approves such request, the entire cost of such change, including the cost of revising Tenant's Plans or preparing new plans, shall be borne by Tenant.

2.4 Except for such matters, if any, as shall have been required by Landlord and not requested by Tenant, it shall be Tenant's responsibility that the Plans comply with all applicable governmental and municipal codes and regulations and to procure and deliver to Landlord upon written request all such licenses, permits and approvals from all governmental authorities as are necessary to permit the Tenant's Work to be commenced and continued to completion and the so constructed Premises to be occupied.

3. Cost Estimates and Payment Protection; TI Allowance.

3.1 Tenant is responsible for the entire "cost of the Tenant's Work" (defined below), subject to Landlord's obligation to pay the TI Allowance (defined below). Prior to commencing any of the Tenant's Work, Tenant shall submit to Landlord a written estimate of the cost of the Tenant's Work, based upon competitive bids or a fixed-price contract (an "Estimate").

3.1.1 The cost of the Tenant's Work is the total of all "hard" and "soft" costs for the design, permitting and construction of the Tenant's Work, and includes, without limitation, the following:

(a) All costs and expenses actually incurred by Tenant pertaining to the Tenant's Work, including, but not limited to, costs charged by contractors, subcontractors and general and other conditions costs and expenses in connection with preparation of the Premises for occupancy;

(b) All costs and expenses of preparation of the plans for such construction, and site inspection and contract administration by Tenant's consultants, project managers, consulting architects and/or engineers;

(c) All costs of permits, licenses and other approvals required for the performance of Tenant's Work;

(d) A construction management fee to Landlord of (x) five percent (5%) of the total of the costs under the foregoing paragraphs (a), (b) and (c) if such total is more than $25,000 but not more than $100,000, and (y) three percent (3%) of the total of the costs under the foregoing paragraphs (a), (b) and (c) if such total is more than $100,000; and

(e) Reimbursement to Landlord for its actual cost reasonably incurred for third-party architects, engineers and other professionals engaged for the purpose of reviewing and approving Tenant's Plans and respond to Tenant's requests to Landlord, in connection with Tenant's Work, with respect to changes, interpretations and approvals.

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3.2 Each disbursement of the TI Allowance shall be subject to satisfaction of each of the following conditions as of the time of such disbursement:

3.2.1 The disbursement should be based upon a schedule of values provided by Tenant indicating the percent complete and or materials purchased and/or on site, subject to retention of up to ten per cent (10%) excluding the final disbursement and any excess balance as is described below of up to $78,883.38 which may be applied to Rent; and

3.2.2 Receipt by Landlord of sworn statements, waivers of lien and other documents and assurances pertaining to the Tenant's Work sufficient to protect Landlord against mechanics' and other liens; and

3.2.3 Receipt of assurances satisfactory to Landlord that the undisbursed balance of the TI Allowance after such disbursement is adequate to complete the remaining Tenant's Work; and

3.2.4 Tenant is then in full compliance with all the terms and provisions of the Lease and has not committed or suffered any act or omission which constitutes, or will constitute with the passage of time, an incurable Event of Default of Tenant under the Lease or a material breach by Tenant of any term or provision of this Agreement.

3.3 Notwithstanding the foregoing, until such time as Tenant has decided to apply the excess balance of $78,883.38 as is described below at which such time, withholding shall cease, Landlord shall be entitled to withhold up to 10% of any draw request to be disbursed upon completion of the Tenant's Work as assurance that the Tenant's Work will be properly completed. Any final disbursement from the deposit will also be conditioned upon Tenant's satisfaction of its obligations under Paragraph 5 below.

3.4 Landlord hereby agrees to pay to Tenant toward the cost of the Tenant's Work which for purposes of this Amendment shall include improvements to Tenant's space and Work up to $315,533.50 ($15.50 per rsf, the "TI Allowance"), to be disbursed as set forth in Sections 3.2 and 3.3 above. If the total cost of the Tenant's Work exceeds the TI Allowance, the entire amount of such excess shall be borne by Tenant. If the TI Allowance amount exceeds the total cost of Tenant's Work, Tenant may apply such excess, up to a maximum of $78,883.38, as a credit against base rent. The TI Allowance may only be applied towards the cost of actual improvements to the Premises, and not the purchase of any furniture, equipment or other personal property. "Improvement" may include, without limitation, (i) repairs and replacement of HVAC systems and ductwork (using Building-standard materials or better); (ii) carpeting and painting; (iii) partitions (erection and removal); (iv) installation, repairs and replacement of electrical and plumbing equipment and network, video, security, and telephone cabling and wiring; and (v) improvements to the Board Room, such as lighting and ceiling. **The rent credit must be used, and the conditions to disbursement of at least one-half of the TI Allowance must be satisfied, not later than August 31, 2011 (i.e., at least 75% of the total TI Allowance, or $236,650.13, must be used by that date). The conditions to disbursement of**

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the remainder of the TI Allowance must be satisfied not later than June 30, 2012. Landlord shall have no obligation to disburse any portion of the TI Allowance as to which the conditions to disbursement thereof are not satisfied by June 30, 2012.

4. Contracts and Contractors for the Tenant's Work. Tenant shall make all such contracts and arrangements as shall be necessary or desirable for the construction and installation of the Tenant's Work. Tenant agrees to retain contractors, subcontractors and materialmen who are of good reputation and experienced in and favorably known for the construction of space comparable to the Premises in the metropolitan area where the Building is located and that are properly licensed for the work they are to perform. Tenant shall provide Landlord with a list of all contractors, subcontractors and materialmen to be utilized by or for Tenant with respect to the Tenant's Work and provide true, correct and complete copies of all contracts relating to the Tenant's Work. Such contractors, subcontractors, materialmen and contracts must be satisfactory to Landlord in Landlord's reasonable discretion, and shall not be employed or executed, as the case may be, without Landlord's written approval first obtained which approval shall not be unreasonably withheld, conditioned, or delayed. Tenant and Tenant's contractors shall use qualified craftsmen and laborers who are compatible with the trade unions operating in the Building (if any) and Tenant shall take promptly upon Landlord's written demand all reasonable measures necessary to avoid labor unrest in the Premises and in the Building which is caused by Tenant or Tenant's contractors. Before commencing any work in the Building, Tenant and its contractor must acknowledge in writing that they have received, reviewed and agreed to be bound by Landlord's Construction Rules and Regulations for the Building, a copy of which is attached to this Exhibit as Schedule IV.

5. Construction. Promptly upon Landlord's approval of the Tenant's Plans, Tenant shall apply for, and supply to Landlord upon issuance, a building permit and any other required governmental permits, licenses or approvals. Upon issuance of such approvals, Tenant shall commence the Tenant's Work and shall diligently prosecute the Tenant's Work to completion. Tenant agrees to cause the Tenant's Work to be constructed in a good and workmanlike manner using materials specified in the Tenant's Plans or their reasonable equivalent (first-class quality materials, if not specified), at its sole cost and expense in accordance with the provisions of the Lease. Any costs incurred by Landlord in providing utilities, supervision or other services needed for the accomplishment of the Tenant's Work shall be reimbursed by Tenant to Landlord. Upon completion of the Tenant's Work, to the extent appropriate, Tenant shall provide to Landlord: (i) an architect's certificate of final completion; (ii) copies of all necessary governmental permits, including, but not limited to, a certificate of occupancy; (iii) the sworn statement of the general contractor; (iv) final lien waivers from all contractors, subcontractors and materialmen; and (v) any other information or documentation reasonably requested in writing by Landlord to evidence lien-free completion of construction and payment of all of the cost thereof. Landlord shall have the right to observe the performance of the Tenant's Work and Tenant shall take all such actions with respect thereto as Landlord may, in its good faith determination, deem advisable from time to time to assure that the Tenant's Work and the manner of performance thereof shall not be injurious to the engineering and construction of the

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Building or the electrical, plumbing, heating, mechanical, ventilating or air-conditioning systems of the Building and shall be in accordance with the Plans and the provisions of this Lease.

6. Miscellaneous.

6.1 All rights and remedies of Landlord herein created or otherwise existing at law or equity are cumulative, and the exercise of one or more such rights or remedies shall not be deemed to exclude or waive the right to the exercise of any other rights or remedies. All such rights and remedies may be exercised and enforced concurrently and whenever and as often as deemed desirable.

6.2 This Exhibit B shall not be deemed applicable to any additional space added to the original Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions thereto in the event of a renewal or extension of the original term of the Lease, whether by any options under the Lease or otherwise.

6.3 Tenant shall, before commencing any of the Tenant's Work, and for so long as any Tenant's Work shall continue, comply with the insurance requirements in Schedule III and Schedule IV. In the event Tenant fails to so comply, Landlord shall have the option, but not the obligation to procure the required insurance and charge Tenant the cost of such compliance as additional rent.

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SCHEDULE I

ELEVATOR WORK

Controller	Replace	Existing control system will be replaced with a new MCE control system.
Car Fixtures	Replace	Existing car fixtures will be replaced with new ADA compliant fixtures, finish to match existing
Corridor Fixtures	Replace	Existing corridor fixtures will be removed and replaced with new ADA compliant fixtures, finish to match existing
Door Operator	Replace	Existing door operator will be removed and replaced
Power Unit	Replace	Existing power unit will be removed and replaced

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SCHEDULE II

STANDARDS FOR PLANS

1. The space plan shall contain the following information:

(a) A layout of the Premises showing demising, corridor and exterior walls in relationship to the Building core. The locations of exterior window mullions, columns, stairways and other building features shall also be shown on the Space Plans.

(b) The location and composition of all walls. Non-standard improvements, such as walls requiring insulation, half walls, vinyl wall coverings or walls requiring special construction must be clearly noted on the Space Plans. Sectional details must be provided to adequately describe the construction of any non-standard wall.

(c) The location, size and swing of all doors. All doors shall conform with Landlord's standard door specifications, unless otherwise noted on the Space Plans.

(d) A description of flooring materials.

(e) A reflected ceiling plan showing the layout of lighting fixtures, switches, and any other non-standard improvements which are to be located within the ceiling system.

(f) The location of all telephone and electrical outlets. Non-standard improvements, such as outlets to be located more than twelve (12) inches above the floor, dedicated circuit outlets or high amperage/voltage outlets must be clearly noted on the Space Plans.

2. The working drawings shall be prepared at a scale of not less than 1/8"=1 foot.

3. All working drawings shall be prepared based upon the use of Landlord's standard materials and finishes used in the Building. The Plans shall contain sufficient notations, specifications and details to describe all Improvements, including but not limited to:

(a) Insulated walls, special wall coverings, graphics, special painting or special wall materials such as plate glass or glass block.

(b) Door dimensions, thickness, hardware or locks.

(c) Flooring materials.

(d) Electrical outlets requiring a dedicated circuit, more than 120 volts or more than 15 amperes.

(e) Telephone outlets requiring more than 3/4 inch diameter conduit.

(f) Light fixtures, exhaust fans, ceiling heights, or ceiling designs using non-standard materials.

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(g) Any special conduits, receptacles or electrical devices necessary to serve communications equipment, computers or other facilities to be installed by Tenant.

(h) Any special requirements to accommodate handicapped employees of Tenant within the Premises.

(i) Any requirements for fire protection of computers, other equipment or materials installed by Tenant.

(j) Any requirements for special fire detection or life safety equipment not required by applicable building codes in effect at the time of construction.

(k) Any special reinforcing of the floor system which will be necessary to support computers, filing systems, equipment or furnishings having a load exceeding fifty pounds per square foot of floor area.

(l) Any special requirements for humidity control, temperature control, extra air-conditioning capacity, ventilation or heating which would not be provided by Landlord's standard building systems. Such special requirements may arise as a result of Tenant's desire to install a computer or other equipment which generates heat, food preparation facilities, bathrooms, laboratories, microfilm storage or other special facilities, equipment or products.

(m) Any private bathrooms, wet-bars, kitchens, vending machines or other installations requiring plumbing work or ventilation.

(n) Any cabinetry, wood paneling, reception desks, built-in shelving or furniture.

(o) Any improvement which will require modification of the Building's structural, mechanical or electrical components.

(p) Sufficient details, specifications and other information as may be necessary for accurate pricing of any other non-standard Improvements

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SCHEDULE III

INSURANCE REQUIREMENTS

1. Tenant shall cause to be maintained for Landlord's benefit insurance in an insurance company or companies which are "A" rated, Class VII or better in Best's Key Rating Guide or such lesser standard as shall be acceptable to Landlord and authorized to transact business in the state in which the Building is located, protecting Landlord against liabilities arising out of the operations of subcontractors and sub-subcontractors as well as Tenant's contractor ("Contractor") with respect to all the Tenant's Work, including at least and in amounts not less than:

(a) **Worker's Compensation & Employers Liability**: Statutory limits required by applicable Worker's Compensation Law and $500,000 per occurrence for Employers Liability, without limitation including all liability arising under any applicable structural work act and any other statute for the protection of employees.

(b) **Commercial General Liability** including Landlord's and Contractor's Protective, products, and completed operations coverage, contractual liability including Contractor's indemnity agreements contained in the Contract Documents, personal injury (employees' exclusion deleted) $5,000,000 per occurrence Bodily Injury and Property Damage, $5,000,000 combined single limit. This limit can be provided through a combination of a primary general liability policy and an umbrella liability policy or other multi-property "blanket" liability coverage. Landlord may require deletion of the "x, c, u" exclusion, if applicable.

(c) **Comprehensive Auto Liability** including owned, non-owned, or hired vehicles coverage: $1,000,000 per occurrence Bodily Injury and Property Damage Liability (Combined Single Limit).

(d) **Builder's Risk** in an "all risk" form covering the Tenant Work against loss by fire and other casualty in an amount equal to the full insurable value of the Tenant Work.

Notwithstanding the foregoing, upon Tenant's request Landlord shall provide the coverages set forth in subparagraph (d) above and Tenant shall reimburse Landlord for the actual cost thereof.

2. Contractor shall either have the Landlord added as an additional named insured to the preceding Commercial or Comprehensive General Liability insurance policy or shall supply a separate Landlord's Protective policy, with limits as specified, naming the Landlord as named insured, and said General Liability or Landlord's Protective policy shall be maintained in force until the completion of the Tenant's Work.

3. Each insurance policy shall be written to cover all claims arising out of occurrences taking place within the period of coverage; insurance written to cover only claims made within the policy period is not acceptable without the express advance written consent of

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Landlord. To the extent the policy is not a Landlord's Protective policy, it shall be endorsed to indicate that it is primary as respects Landlord, not contributory with any other insurance available to the Landlord and not subject to reduction of coverage as to Landlord by reason of any claim asserted against Contractor other than in connection with the Tenant's Work or by reason of any misstatement, act or omission of any party other than Landlord applying for or insured by such insurance.

4. Each insurance policy and any certificate furnished in lieu of a policy shall state that it will not be cancelled, reduced or materially changed without thirty (30) days' prior written notice to Landlord. In the event Tenant fails to provide replacement coverage at least three (3) business days prior to the expiration of any policy of insurance, Landlord may at its option secure such insurance and Tenant shall reimburse Landlord for the cost thereof as additional rent; but Landlord shall not have any obligation to secure any such insurance.

5. If and so long as any monies shall be or be about to be owed to any lender upon the security of an interest in the Premises or the Building, at Landlord's reasonable request, where permitted, the insurance required hereunder for Landlord's protection shall also protect Landlord's mortgagee and whenever Landlord is to be an additional insured, Landlord's mortgagee shall also be so insured.

6. Each of the aforesaid insurance coverages shall be placed into effect before any of the Tenant's Work is commenced and shall be maintained in force at all times while and for at least so long as any of the Tenant's Work is carried on, including without limitation, any and all activities performed in fulfillment of any obligation of Contractor or any Subcontractor to correct defects in the Tenant's Work or under any other warranty. Before commencing any of the Tenant's Work, and as often thereafter as reasonably requested by Landlord, Tenant shall supply Landlord with either the policies themselves or certificates of insurance satisfactory to Landlord, evidencing compliance with all the foregoing requirements.

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<u>SCHEDULE IV</u>

Landlord's Construction Rules and Regulations

(begins on the next page)

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CB RICHARD ELLIS — N.E. PARTNERS, LP

Tenant Construction

Rules and Regulations

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TENANT CONSTRUCTION RULES AND REGULATIONS

General Requirements

1. Tenant must submit Construction Documents (plans and specifications) to the CB Richard Ellis — N.E. Partners, LP Management Office for approval a minimum of four (4) weeks or the time period required under the lease document, whichever is longer, prior to commencement of the project.

2. CB Richard Ellis — N.E. Partners, LP reserves the right to approve and restrict any sub-contractor, contractor or employee for any trade performing work in the building. A pre-qualification statement must be submitted to CB Richard Ellis — N.E. Partners, LP for sub-contractors who have not performed work with CB Richard Ellis — N.E. Partners, LP within the last two (2) years or on jobs of comparable size and dollar value.

3. Tenant must submit to CB Richard Ellis — N.E. Partners, LP the following items two (2) weeks prior to the commencement of the project:

   A. Name of General Contractor/Construction Management Firm.

   B. Subcontractor List for approval.

   C. Certificates of Insurance from general contractor and subcontractor in compliance with insurance guidelines. Tenant, Owner and CB Richard Ellis — NE Partners, LP must be named additionally insured.

   D. Copy of Demolition Permit (if Applicable).

   E. Copy of Building Permit.

   F. Copy of Long-Form or Fast-Tract Application to Building Department.

   G. Construction Schedule.

   H. Project directory to include: name of firm, address, contact and telephone number.

4. Tenant must schedule a project meeting with the CB Richard Ellis — N.E. Partners, LP construction coordinator two (2) weeks prior to commencement of project.

   Weekly or bi-weekly project meetings are required for major construction projects. The CB Richard Ellis — N.E. Partners, LP construction coordinator may attend meetings as deemed necessary. The construction coordinator must receive a copy of the minutes on a weekly basis.

5. CB Richard Ellis — N.E. Partners, LP reserves the right to restrict life safety design (sprinkler and fire protection) to its approved design engineers.

6. Two hundred pound (200 lb.) pressure test of sprinkler system is required two (2) weeks prior to completion of project. Sprinkler contractor test certificates are due to CB Richard Ellis — N.E. Partners, LP at that time.

7. Sprinkler contractor must provide five (5) sets of sprinkler drawings for approval by the insurance company.

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8. Tenant shall provide a copy of the contract between the General Contractor and Tenant to Manger prior to the commencement of the work.

9. All questions should be referred to CB Richard Ellis — N.E. Partners, LP at, BUILDING NAME.

10. The contractor shall complete work without disruption from labor disputes and in harmony with other trades. All work to be performed shall be by qualified personnel in accordance with local rules and regulations, unless otherwise authorized in writing by CB Richard Ellis — N.E. Partners, LP.

11. Air balancing by contractor is required two (2) weeks before project is completed.

12. Testing of sprinkler system and fire protection devices is required two (2) weeks prior to completion of project and to obtain Certificate of Occupancy.

13. The CB Richard Ellis — N.E. Partners, LP design/engineering review team may inspect contractor work in progress for compliance with applicable code and building standards.

14. All contractor work shall be performed in accordance with all applicable laws and codes, local Fire Department and CB Richard Ellis — N.E. Partners, LP Construction Guidelines.

15. Record of As-built drawings must be submitted within 30 days of the completion of the project.

16. Tenant must submit Certificate of Occupancy at completion of project.

B. Specific Requirements

Normal business hours are 8:00 a.m. to 6:00 p.m. Monday — Friday; 8:00 a.m. to 1:00 p.m. on Saturdays.

1. The following work must be done on overtime, not during normal business hours.
   - Demolition above and below occupied space or which may cause disruption to other tenants in the building on other floors.
   - Coring for electrical/telephone floor outlets above occupied space.
   - Oil based or “Polymyx” painting on occupied multi-tenant floors (Latex paint work allowed).
   - Any work performed outside of project site.
   - Gluing of carpet on occupied multi-tenant floors.
   - Shooting of studs into deck for mechanical fastening devices (allowed until 8:30 a.m.) under occupied floors.
   - Drilling into deck for mechanical fastening devices (allowed until 8:30 a.m.).

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- Testing of life safety system and sprinkler tie-ins.
- Coordination of deliveries requiring use of loading dock and freight elevator exceeding 1/2 hour.
- Deliveries via tractor/trailer trucks.
- Any other activity which may cause disruption to tenants in the building

2. Dollies and carts should be fitted with rubber wheels.
3. Dragging of ladders, dropping of material is to be avoided over occupied floors.
4. All work performed outside of project site must be coordinated with the property manager from the CB Richard Ellis — N.E. Partners, LP Management Office.
5. The contractor must submit a "Building Service Request Form" to CB Richard Ellis — N.E. Partners, LP to schedule the services listed below. One week advance notice is required for approval. Emergency service may be provided with 24 hours notice.
   - Freight elevator usage after hours.
   - Sprinkler/life safety shutdown.
   - HVAC shutdown.
   - Access to site after normal business hours.
   - Major deliveries and tenant relocations.
   - Coordination with building staff.
   - Trash removal operation.
   - Security detail.
   - Any work/activity not noted above or performed during non-business hours.
6. There is no contractor parking available at the loading dock. The loading dock is to be used for unloading equipment and materials only.
7. Tradespersons are not allowed on passenger elevators. Construction workers should not use the emergency stairwells to access other floors unless an emergency situation arises or as approved by property management.
8. Demolition: Contractor must use hard plastic hampers to transport demolition debris from work floor to loading dock. Hampers cannot be left on the loading dock. Queue on the work floor while transporting debris.

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9. Badges: Tradespersons must enter the building through the loading dock and obtain a contractor badge. The badge is to be worn daily, be visible at all times, and presented to security for access to project site.
10. Cleaning and Rubbish Removal: The contractor is responsible for leaving freight elevators and related work areas "broom clean". The contractor will incur costs for clean-up if areas are left dirty, including servicing of freight elevator for demolition debris not transported properly. Rubbish cannot be stored in the work area and must be disposed of on a regular basis.
11. Waiver of Mechanics Lien will be required prior to all payments.
12. Contractor will post the building permit on a wall of the construction site or location required by the local inspector while work is being performed.
13. Prior to demolition, if carpet is to remain in the suite, it is to be protected by a heavy plastic cover (or equal) or removed, stored, and reinstalled upon completion of work.
14. Public area corridor and carpet is to be protected by plastic runners (or equal) or a series of walk-off mats from the elevator to the suite under construction.
15. Contractor shall provide heavy plastic (or equal) screening for dust protection and/or temporary walls of suitable appearances as required by Property Management to screen the construction site.
16. Walk-off mats are to be provided at entrance doors.
17. No utilities (electricity, water, gas, plumbing) or services to the tenants are to be cut off or interrupted without first having requested, in writing, and secured, in writing, the permission of the Property Manager.
18. No electrical services are to be put on the emergency circuit, without specific written approval from the Property Manager.
19. When utility meters are installed, the contractor must provide the property manager with a copy of the operating instructions for that particular meter.
20. The Property Manager will be notified of all work schedules of all workmen on the job and will be notified, in writing, of names of those who may be working in the Building after "normal" business hours.
21. Contractors will be responsible for daily removal of waste foods, milk and soft drink containers, etc. to loading dock construction dumpster and will not use any building trash receptacles, but trash receptacles supplied to them.
22. Construction personnel are not to eat in the lobby, main entrances, or in front of Building nor are they to congregate in the lobby or in front of Building.
23. There will be no radios on the job site.
24. All workers are required to wear a shirt, shoes, and full length trousers.

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25. Protection of hallway carpets, wall coverings, granite and marble, and elevators from damage with masonite board, carpet, cardboard, or pads is required.
26. Public spaces, corridors, elevators, bathrooms, lobby, etc. must be cleaned immediately after use. Construction debris or materials found in public areas will be removed at the offender's cost.
27. There will be no smoking, eating, or open food containers in the elevators, carpeted areas, public lobbies, or entrances to the building.
28. There will be no yelling, boisterous activities, or foul language.
29. All construction materials or debris must be stored within the project confines or in an approved lock-up.
30. There will be no alcohol or controlled substances allowed or tolerated. Individuals under their influence or in possession of such will be prosecuted.
31. Contractor shall post no signs without Property Manager's express approval which may be withheld for any reason.
32. Any work performed on base building systems (i.e., roofing, HVAC, glass curtain wall, etc.) that could impact existing warranties shall be coordinated with Property Manager prior to performing said work. If Property Manager stipulates that a certain company/subcontractor/vendor must be used in order to preserve a warranty, then Contractor shall comply.
33. Contractor shall supply Property Manager with a copy of all permits prior to the start of any work.
34. Contractors shall be permitted to use the janitor's sink for water supply on the floor(s) on which the construction occurs, however, contractors shall ensure that no drywall, mud, flammables or any other substance that could stop up the sanitary sewer system or be potentially hazardous, are put therein.

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DELIVERIES AND ELEVATOR SCHEDULE

Deliveries: Absolutely no deliveries will be allowed through the main lobby. Deliveries must be scheduled in advance with the CB Richard Ellis — N.E. Partners, LP. The delivery of sheet rock, light fixtures and other like material must be scheduled during non-business hours unless approved by property management.

Dockmaster Hours

Monday thru Friday/6:00 a.m. to 4:00 p.m.

Deliveries that require tractor trailers after the above hours will require that a dockmaster be present at current prevailing billable rates. A four (4) hour minimum labor charge is required.

Normal Freight Elevator Hours of Operation

Monday thru Friday/8:00 a.m. to 4:00 p.m.

During these hours deliveries of furniture, equipment, and construction materials that will occupy the elevator so as to preclude others from using it for longer than 1/2 hours, is not allowed.

Deliveries of sheet rock or like materials will not be allowed during normal freight elevator operations. (You must make arrangements for exclusive use of an elevator for these purposes).

All incidental deliveries, or minor moves between floors, of furniture or other equipment may be scheduled during the above hours of operation, on a first come first served basis.

Trash Removal Operation

Monday thru Friday/6:00 p.m. to 10:00 p.m.

During these hours the use of the elevators is limited to removal of building trash and the movement of service workers and their tools and equipment.

Hours Available for Exclusive Use of Freight Elevator(s)

Monday thru Friday/11:30 p.m. to 7:00 a.m.

Saturday & Sunday/24 hours

During the above hours of operation the freight elevators may be reserved for the exclusive use of a tenant or contractor. Reservations must be made, in writing, a minimum of twenty-four hours prior to, but not more than two weeks in advance of service request date. Reservations are not confirmed until a properly approved “Building Services Request Form” is returned to you.

No construction debris or materials are to be deposited in building compactors or open dumpsters not belonging to contractor.

Major furniture deliveries may require a Local 4 Elevator Constructor to operate service elevator. Cost for this person is a responsibility of the tenant.

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There is a four hour minimum labor charge for the elevator operator when after hours exclusive use is requested. Contact the CB Richard Ellis — N.E. Partners, LP Management Office for current rate charges.

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CB Richard Ellis — N.E. Partners, LP
VENDOR/SUBCONTRACTOR INSURANCE SPECIFICATIONS

1. General Liability coverage in the form of a Comprehensive General Liability policy or a Commercial Liability policy with the broad form CGL endorsement included in the coverage. The insurance company issuing said policy must be rated B+ or better by Bests ratings.

2. The general liability in Item #1 must be on an occurrence basis with per occurrence and aggregate limits of liability of no less than $5,000,000. This limit can be provided through a combination of a primary general liability policy and an umbrella liability policy or other multi-property "blanket" liability coverage. If there are any deductibles or self-insured retentions please state this.

3. Automobile Liability and Worker's Compensation Coverage must be in place.

4. The following MUST be named as additional insured as their interest may appear: CB Richard Ellis — N.E. Partners, LP and BUILDING NAME

5. Should any of the above described policies be canceled, not renewed, changed materially in amount of coverage or changed in insuring form, the vendor/subcontractor's insurance company will give 30 days prior written notice to CB Richard Ellis — N.E. Partners, LP.

Please note that CB Richard Ellis — N.E. Partners, LP's minimum requirements, as noted above and attached, in no way restrict your liability for any claims in excess of your policy limits.

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INSURANCE SPECIFICATIONS FOR CONSTRUCTION PROJECTS

Certificate of Insurance

The Contractor and each Sub-Subcontractor shall maintain at all times during the performance of the Work (with the exception of Completed Operations — Products Liability insurance which must be provided, to the extent reasonably available, for a period of two (2) years after Final Completion of the Work), and to pay for the following kinds of insurance, written for not less than the limits of liability set forth below or any limits required by law, whichever is greater.

	Kind of Insurance	Amount
a.	Workers' Compensation, including an "all states Endorsement".	Statutory
b.	Employer's Liability	\$500,000 each accident \$500,000 disease policy limit; \$500,000 disease each employee
c.	Commercial General Liability including Blanket Contractual Liability, Employees as Additional Insureds, Completed Operations Products Liability and providing coverage for explosion, collapse and underground property damage hazards, Premises Medical Payments and Incidental Medical Malpractice, Broad Form General Liability Endorsement, Personal Injury Liability, and Broad Form Property Damage Endorsement.	\$5,000,000 bodily injury and \$5,000,000 property damage combined single limit per occurrence and annual aggregate \$5,000,000 personal injury
d.	Comprehensive Automobile Liability (covering all owned, non-owned or hired vehicles).	\$5,000,000 bodily injury each person and property damage each accident; \$5,000,000 bodily injury each accident.
e.	Umbrella for Subcontractors	\$4,000,000 Required if General Liability, bodily injury or combined totals are less than \$2,000,000.
	Umbrella for General Contractor	\$10,000,000 Required if General Liability, bodily injury or combined totals are less than \$10,000,000.

f. This insurance shall require provision of no less than thirty (30) days prior written notice of cancellation or material change sent by registered mail to the Architect, the Owner, the Landlord, and all other additional insureds under such insurance. The insurance required herein must be

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issued by responsible companies qualified to do business and in good standing in Massachusetts with an A.M. Best Company rating of A:XI or the highest other rating as may be required of Landlord by any mortgagee from time to time, or better.

g. All such insurance to be written by responsible companies, qualified to do business and in good standing in Massachusetts with a Best's insurance rating of A:XI or the highest other rating as may be required from time to time, or better, providing for notice at least 30 days prior to cancellation or renewal and naming as additional insureds: CB Richard Ellis — N.E. Partners, LP, BUILDING NAME, the architect, the tenant and all others as may be required.

Indemnity Agreement

The contractor agrees to indemnify and hold harmless CB Richard Ellis — N.E. Partners, LP and BUILDING NAME, its officers, employees, servants, and agents from and against any and all liability, loss and expense resulting from personal injury, sickness or disease, destruction of property, including the loss of use thereof, arising in while or in part, by reason of, or in any way resulting from operations under this contract, whether such operations be by said contractor or by any sub-contractor or any one directly or indirectly employed by either of them. Compliance by the contractor with the insurance provisions hereof shall not relieve contractor from liability under this provision.

Loss of Damage to Contractor's Property

All property of any kind, owned, hired or supplied by the contractor or any subcontractor, their employees, servants or agents not intended to be incorporated into or made a part of the work to be performed under this contract shall be at the sole risk of the respective contractor, subcontractor or their employees, servants, or agents.

Subcontractors

The contractor shall require all of the subcontractors to provide minimum insurance coverage as is indicated herein to protect the contractor from claims resulting from any and all operations under this contract and any deficiency in the coverages or policy limits of said subcontractor's insurance shall be the sole responsibility of the contractor.

Major Contractors

Umbrella coverage is required for limits as indicated herein.

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Approved Subcontractor List

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EXHIBIT B

attached to and made a part of the
FOURTH AMENDMENT TO LEASE
between RREEF AMERICA REIT III-Z1 LLC
and AMERESCO, INC.
dated January 1, 2010

111 Speen Street, Framingham, MA

FORM OF SUBORDINATION AND NON DISTURBANCE AGREEMENT

(begins on the following page)

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LEASE SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Lease Subordination, Nondisturbance and Attornment Agreement (this "**Agreement**"), made as of the ___day of __________, 200___, by and between ________________________________ ("**Lessee**") and MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, a Massachusetts corporation ("**Lender**").

RECITALS

A. Lender is the holder of a certain promissory note (the " **Note**") issued by ______________________ ("**Lessor**") dated ____________________ in the original principal sum of $__________ and of the mortgage or deed of trust of even date therewith (the "**Mortgage**") securing the Note, which Mortgage encumbers the real property (the "**Property**") described on Exhibit A, attached hereto and made a part hereof.

B. Lessee and Lessor, entered into a lease agreement (the "**Lease**") dated ______________________ by which Lessee leased from Lessor certain premises commonly known as ______________________ (the "**Leased Premises**"), and constituting a portion of the Property.

C. Lessee desires to be able to obtain the advantages of the Lease and occupancy thereunder in the event of foreclosure of the Mortgage and Lender wishes to have Lessee confirm the priority of the Mortgage over the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

7. Lessee hereby covenants and agrees that all its rights and interests whatsoever under the Lease in the Leased Premises and the Property are and shall remain subject and subordinate to the lien of the Mortgage, to all of the rights and interests of Lender under the Mortgage and to all the terms, conditions and provisions thereof, to all advances made or to be made thereunder or under the Note, and to any increases, renewals, extensions, modifications, substitutions, consolidations or replacements thereof or of the Note.

8. So long as Lessee is not in default (beyond any period given Lessee in the Lease to cure such default) in the payment of rent or additional charges or in the performance of any of the other terms, covenants or conditions of the Lease on its part to be performed, Lessee shall not be disturbed by Lender in its possession of the Leased Premises during the term of the Lease, or any extension or renewal thereof, or in the enjoyment of Lessee's rights under the Lease.

9. If the interest of the Lessor under the Lease shall be acquired by Lender or any purchaser ("**Purchaser**") by reason of exercise of the power of sale or the foreclosure of the Mortgage or other proceedings brought to enforce the rights of the holder thereof, by deed in lieu of foreclosure or by any other method, and Lender or Purchaser succeeds to the interest of Lessor under the Lease, Lessee shall attorn to Lender or Purchaser as its lessor, said attornment to be effective and self-operative without the execution of any other instruments on the part of either party hereto immediately upon Lender's or Purchaser's succeeding to the interest of the Lessor

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under the Lease, and the Lease shall continue in accordance with its terms between Lessee as lessee and Lender or Purchaser as lessor; provided, however, that:

(a) Lender or Purchaser shall not be personally liable under the Lease and Lender's or Purchaser's liability under the Lease shall be limited to the ownership interest of Lender or Purchaser in the Property;

(b) Lender or Purchaser shall not be liable for any act or omission of any prior lessor (including Lessor);

(c) Lender or Purchaser shall not be subject to any offsets or defenses which Lessee might have against any prior lessor (including Lessor);

(d) Lender or Purchaser shall not be bound by any prepayment of rent or deposit, rental security or any other sums deposited with any prior lessor (including Lessor) under the Lease, with the exception of the Prepayment of Monthly Rent pursuant to the Amendment, unless actually received by Lender or Purchaser;

(e) Lender or Purchaser shall not be bound by any agreement or modification of the Lease made without Lender's or Purchaser's written consent;

(f) Lender or Purchaser shall not be bound to commence or complete any construction or to make any contribution toward construction or installation of any improvements upon the Leased Premises or the Property required under the Lease or any expansion or rehabilitation of existing improvements thereon, or for the payment of any tenant allowance or incentive, or for restoration of improvements following any casualty not required to be insured under the Lease or for the costs of any restorations in excess of any proceeds recovered under any insurance required to be carried under the Lease; and

(g) Lender or Purchaser shall not be bound by any radius restriction or other restriction on competition beyond the Property.

The obligation of Lessee to attorn as described in this Paragraph 3 is independent of Lender's nondisturbance obligation under Paragraph 2. Lessee expressly acknowledges and agrees that a default by Lessee under the Lease (beyond any period given Lessee in the Lease to cure such default), (i) shall terminate Lender's nondisturbance obligation, and (ii) shall not terminate Lessee's attornment obligation or any other agreements by Lessee set forth herein; provided, however, at Purchaser's sole option, Purchaser may elect to reject Lessee's attornment by written notice to Lessee delivered within thirty (30) days following acquisition of the interest of Lessor. If Purchaser accepts such attornment, Purchaser shall be entitled to exercise any or all of its rights and remedies under the Lease and/or at law or in equity by reason of default by Lessee under the Lease (beyond any period given Lessee in the Lease to cure such default).

10. Lessee certifies to Lender that the Lease is presently in full force and effect with no defaults thereunder by Lessor or by Lessee and unmodified except as indicated hereinabove; that the term thereof has commenced and the full rental is now accruing thereunder; that Lessee has accepted possession of the Leased Premises and that any improvements required by the terms

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of the Lease to be made by Lessor have been completed to the satisfaction of Lessee; that any tenant allowances or other payments to be made by Lessor to Lessee have been made; that no rent under the Lease has been paid more than thirty (30) days in advance of its due date; that the address for notices to be sent to Lessee is as set forth in the Lease; and that Lessee has no charge, lien, claim or offset under the Lease or otherwise, against rents or other charges due or to become due thereunder.

11. Lessee agrees with Lender that from and after the date hereof, Lessee will not enter into any agreements amending the Lease without Lender's prior written consent and that Lessee will not terminate or seek to terminate the Lease by reason of any act or omission of the Lessor thereunder until Lessee shall have given written notice, by certified mail, return receipt requested, of said act or omission to Lender, which notice shall be addressed to Massachusetts Mutual Life Insurance Company, c/o Babson Capital Management LLC, 1500 Main Street, Suite 2100, Springfield, Massachusetts 01115-5189, Attention: Managing Director, Real Estate Investment Division, and until a reasonable period of time shall have elapsed following the giving of such notice, but not greater than ninety (90) days, during which period Lender shall have the right, but shall not be obligated, to remedy such act or omission.

12. Lessee covenants that it will not subordinate the Lease to any other mortgage or deed of trust without Lender's prior written consent.

13. Lessor, by its execution of this Agreement, does hereby authorize Lessee to make all rent and additional rent payments due under the Lease to Lender, should Lender notify Lessee in writing that Lender is invoking its right under the Mortgage to receive all rent and additional rent payments due under the Lease.

14. This Agreement shall inure to the benefit of and shall be binding upon Lessee and Lender, and their respective heirs, personal representatives, successors and assigns. This Agreement may not be altered, modified or amended except in writing signed by all of the partied hereto. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement shall be governed by and construed according to the laws of the state where the Property is located.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

WITNESSES (2)	LESSEE: [____________________]
____________________	By ____________________
	Its
____________________	
WITNESSES (2)	LENDER:
____________________	MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
____________________	By: Babson Capital Management LLC Its: Authorized Agent
	By: ____________________ Name: Title:
WITNESSES (2)	Consented to:
____________________	LESSOR: [____________________]
____________________	By ____________________
	Its

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ACKNOWLEDGEMENTS

STATE OF)
) ss.
COUNTY OF)

On this, the ___day of __________ 200_, before me, the undersigned party, personally appeared ____________________ who acknowledged himself/herself to be the __________ of ____________________, a ____________________, and that he/she as such __________, being authorized to do so, executed the foregoing Lease Subordination, Nondisturbance and Attornment Agreement for the purposes therein contained by signing the name of the __________ by himself/herself as __________.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

____
Notary Public
My Commissions Expires:

COMMONWEALTH OF MASSACHUSETTS)
) ss.
COUNTY OF HAMPDEN)

On this, the ___day of __________ 200_, before me, the undersigned party, personally appeared ____________________ who acknowledged himself/herself to be the Managing Director of Babson Capital Management LLC, a Delaware limited liability company, and that he/she as such Managing Director being authorized to do so, executed the foregoing Lease Subordination, Nondisturbance and Attornment Agreement for the purposes therein contained by signing the name of the company himself/herself as Managing Director.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

____
Notary Public

My Commission Expires:

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STATE OF)
) ss.
COUNTY OF)

On this, the ___day of __________ 200_, before me, the undersigned party, personally appeared ____________________ who acknowledged himself/herself to be the __________ of ____________________, a ____________________, and that he/she as such __________, being authorized to do so, executed the foregoing Lease Subordination, Nondisturbance and Attornment Agreement for the purposes therein contained by signing the name of the __________ by himself/herself as __________.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

____
Notary Public
My Commissions Expires:

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Exhibit A

Legal Description of Property

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EXHIBIT C

attached to and made a part of the
FOURTH AMENDMENT TO LEASE
between RREEF AMERICA REIT III-Z1 LLC
and AMERESCO, INC.
dated January 1, 2010

111 Speen Street, Framingham, MA

EXPANSION SPACE (approximate)

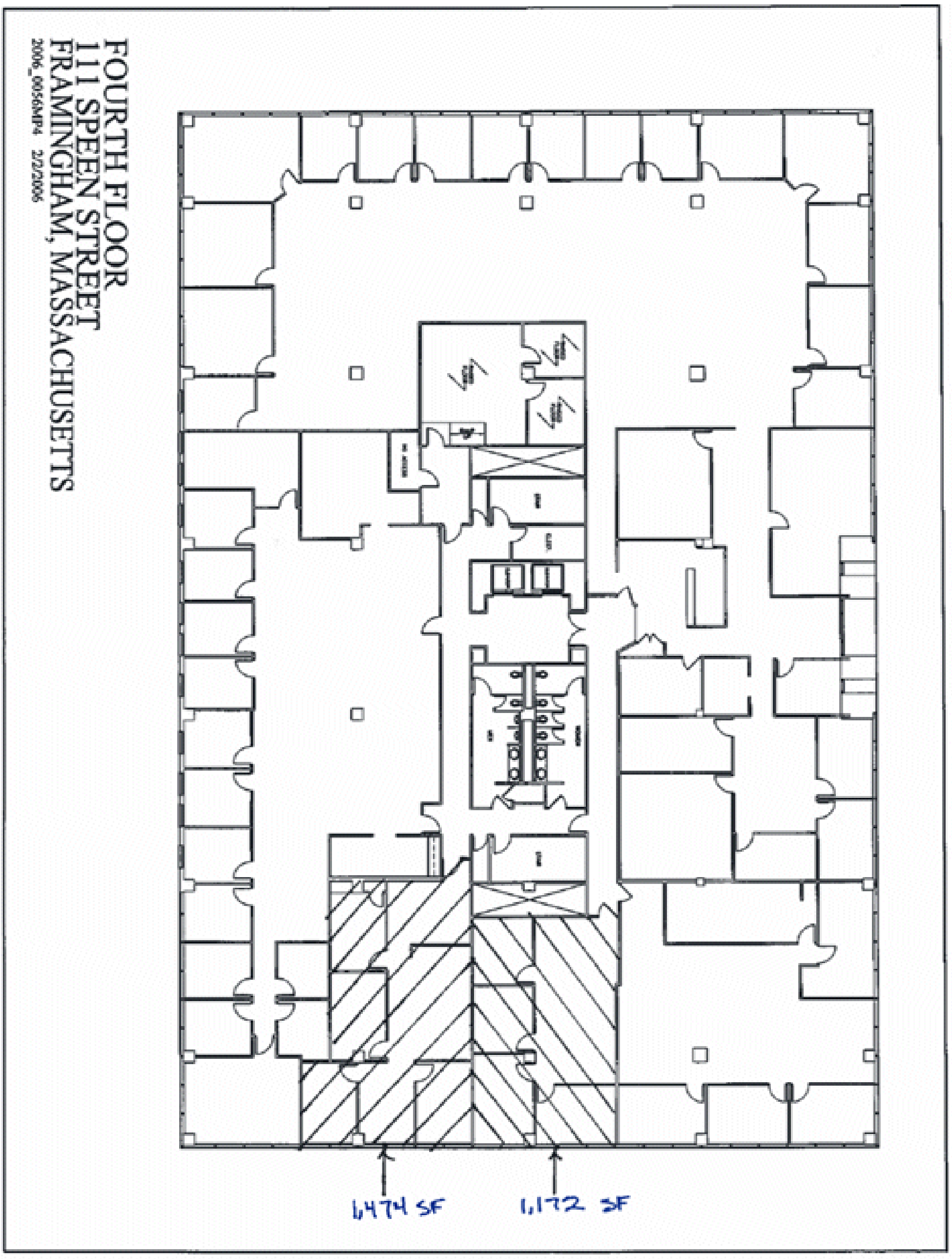

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Exhibit 21.1

LEGAL NAME	ENTITY TYPE	JURISDICTION
1277591 ONTARIO Inc.	Corporation	Canada
Ameresco Canada Inc.	Corporation	Canada
Ameresco Canada Wind Power Inc.	Corporation	Canada
Ameresco Colchester 1 Inc.	Corporation	Canada
Ameresco Enertech, Inc.	Corporation	KY
Ameresco Servicios Energeticos S.L.	Corporation	Spain
Ameresco Federal Solutions, Inc.	Corporation	TN
Ameresco Geothermal, Inc.	Corporation	Canada
Ameresco LFG — I, Inc. d/b/a Ameresco Goshen	Corporation	DE
Ameresco Planergy Housing, Inc.	Corporation	DE
Ameresco Puerto Rico, Inc.	Corporation	Commonwealth of Puerto Rico
Ameresco Quebec Inc.	Corporation	Quebec
Ameresco S.A.	Corporation	Greece
Ameresco Select, Inc.	Corporation	MA
Ameresco Solar — Solutions, Inc.	Corporation	TX
AmerescoSolutions, Inc.	Corporation	NC
Byrne (Sudbury) Engineering Inc.	Corporation	Canada
Byrne Engineering Inc.	Corporation	Canada
EI Fund One, Inc.	Corporation	MA
Energy Investment, Inc.	Corporation	MA
HEC/Tobyhanna Energy Project, Inc.	Corporation	MA
Sierra Energy Company	Corporation	NV
Ameresco/Pacific Energy JV	General Partnership	HI
Ameresco Aneval LLC	Limited Liability Company	DE
Ameresco Butte County LLC	Limited Liability Company	DE
Ameresco Chicopee Energy LLC	Limited Liability Company	DE
Ameresco Chiquita Energy LLC	Limited Liability Company	DE
Ameresco Concord LLC	Limited Liability Company	DE
Ameresco Crazy Horse LLC	Limited Liability Company	DE
Ameresco CT LLC	Limited Liability Company	DE
Ameresco Cumberland LLC	Limited Liability Company	DE
Ameresco Dallas LLC	Limited Liability Company	DE
Ameresco Delaware Energy LLC	Limited Liability Company	DE
Ameresco DR LLC	Limited Liability Company	DE
Ameresco Evansville LLC	Limited Liability Company	DE
Ameresco Forward LLC	Limited Liability Company	DE
Ameresco Funding I, LLC	Limited Liability Company	DE
Ameresco Funding II, LLC	Limited Liability Company	DE
Ameresco Funding III, LLC	Limited Liability Company	DE
Ameresco Funding IV, LLC	Limited Liability Company	DE
Ameresco Golden Triangle LLC	Limited Liability Company	DE
Ameresco Greenridge LLC	Limited Liability Company	DE
Ameresco Half Moon Bay LLC	Limited Liability Company	DE
Ameresco Hawaii LLC	Limited Liability Company	DE
Ameresco Huntington Beach, L.L.C.	Limited Liability Company	DE
Ameresco Idaho Wind LLC	Limited Liability Company	DE
Ameresco Janesville LLC	Limited Liability Company	DE
Ameresco Jefferson City LLC	Limited Liability Company	DE
Ameresco Johnson Canyon LLC	Limited Liability Company	DE
Ameresco Keller Canyon LLC	Limited Liability Company	DE
Ameresco LFG Holdings II LLC	Limited Liability Company	DE
Ameresco LFG Holdings III LLC	Limited Liability Company	DE
Ameresco LFG Holdings LLC	Limited Liability Company	DE
Ameresco McCarty Energy LLC	Limited Liability Company	DE
Ameresco MT Wind, LLC	Limited Liability Company	DE
Ameresco Mt. Olive LLC	Limited Liability Company	DE
Ameresco Northampton LLC	Limited Liability Company	DE
Ameresco Palmetto LLC	Limited Liability Company	DE
Ameresco Pine Bluff LLC	Limited Liability Company	DE
Ameresco Pontiac LLC	Limited Liability Company	DE
Ameresco Renewable Energy LLC	Limited Liability Company	DE
Ameresco Roseburg LLC	Limited Liability Company	DE
Ameresco San Antonio LLC	Limited Liability Company	DE
Ameresco San Joaquin LLC	Limited Liability Company	DE
Ameresco Santa Clara LLC	Limited Liability Company	DE
Ameresco Santa Cruz Energy LLC	Limited Liability Company	DE
Ameresco Skunk Creek LLC	Limited Liability Company	DE
Ameresco Solar — Products LLC	Limited Liability Company	DE
Ameresco Solar — Technologies LLC	Limited Liability Company	DE
Ameresco Solar LLC	Limited Liability Company	DE

Ameresco Solar Lowell LLC	Limited Liability Company	DE
Ameresco Solar New York LLC	Limited Liability Company	DE
Ameresco Solar Newburyport LLC	Limited Liability Company	DE
Ameresco Solar Power 1 LLC	Limited Liability Company	DE
Ameresco Stafford LLC	Limited Liability Company	DE
Ameresco Vasco Road LLC	Limited Liability Company	DE
Ameresco Wind New York LLC	Limited Liability Company	DE
Ameresco Woodland Meadows LLC	Limited Liability Company	DE
Ameresco Woodland Meadows Romulus LLC	Limited Liability Company	DE
e.three Custom Energy Solutions, LLC	Limited Liability Company	NV
ERI/HEC EFA-Med, LLC	Limited Liability Company	DE
HEC/CJTS Energy Center LLC	Limited Liability Company	DE
Mount Olive Community Development Fund LLC	Limited Liability Company	DE
Solutions Holdings, LLC	Limited Liability Company	DE
Speen Street Holdings I, LLC	Limited Liability Company	DE
Speen Street Holdings II, LLC	Limited Liability Company	DE
Speen Street Holdings III, LLC	Limited Liability Company	DE
Speen Street Holdings IV, LLC	Limited Liability Company	DE

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As independent registered public accountants, we hereby consent to the use of the report of Caturano & Company, P.C. dated March 31, 2010 (except for the "Stock Split" section of Note 2, as to which the date is ________, 2010) relating to the financial statements of Ameresco, Inc. and Subsidiaries as of December 31, 2009 and December 31, 2008 and for the three years ended December 31, 2009 (which report expresses an unqualified opinion) included in, and to all references to our Firm included in or made a part of, this Amendment No. 3 to Registration Statement on Form S-1.

CATURANO AND COMPANY, P.C.

Boston, Massachusetts
May 28, 2010

The foregoing consent is in the form that will be signed upon the completion of the stock split described in Note 2 to the consolidated financial statements.

/s/ Caturano & Company, P.C.

CATURANO AND COMPANY, P.C.

Boston, Massachusetts
May 28, 2010

May 28, 2010

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U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Mail Stop 3010
Washington, DC 20549-6010
Attn: Pamela A. Long, Assistant Director

Re: Ameresco, Inc.
Amendment Nos. 1 and 2 to Form S-l
Filed May 10 and 14, 2010
File No. 333-165821

Dear Ladies and Gentlemen:

On behalf of Ameresco, Inc. ("Ameresco" or the "Company"), submitted herewith for filing is Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-165821) (the "Registration Statement") originally filed by the Company with the U.S. Securities and Exchange Commission (the "SEC") on March 31, 2010. We have set forth below the responses of the Company to the comments of the staff (the "Staff") of the SEC set forth in the letter, dated May 20, 2010, from Pamela A. Long of the SEC, to George P. Sakellaris, President and Chief Executive Officer of the Company (the "Comment Letter").

For convenient reference, we have set forth below in italics each of the Staff's comments set forth in the Comment Letter and have keyed the Company's responses to the numbering of the comments and the headings used in the Comment Letter. All of the responses are based on information provided to us by representatives of the Company. Where appropriate, the Company has responded to the Staff's comments by making changes to the disclosure in the Registration Statement as set forth in Amendment No. 3. Page numbers referred to in the responses reference the applicable pages of Amendment No. 3.

<u>*General*</u>

1. *We note your response to comment two in our letter dated April 27, 2010. Please clarify whether you are registering for resale any shares issuable upon exercise of the warrants and/or options referenced on page 107 and whether the Mr. Sakellaris is selling the Class A stock to be issued upon the conversion of his Class B shares. Please revise the cover page as applicable.*

Response: The Company has revised pages 6, 36, 110 and 116 of Amendment No. 3 to clarify that some shares issuable upon exercise of the warrant and options are being registered for resale.

Mr. Sakellaris is not selling the Class A common stock to be issued upon the conversion of his Class B shares.

Currently, in addition to his holdings of preferred shares that will convert into shares of Class B common stock, Mr. Sakellaris owns shares of common stock, which will be reclassified as Class A common stock. The Company expects that Mr. Sakellaris may sell some of these shares of Class A common stock in the offering.

<u>*Overview, page 1*</u>

2. *We note your response to prior comment 10. Please disclose in the prospectus that this statement is based on data from Frost & Sullivan. We note the additional disclosure on page 32.*

Response: The Company has revised page 66 of Amendment No. 3 to provide further support for stating that it is a leading provider of energy efficiency solutions for facilities throughout North America. The Company respectfully notes that it has not referenced Frost & Sullivan in the additional language because the Company bases its belief on several factors, of which Frost & Sullivan-reported information is just one.

<u>*Management's Discussion and Analysis, page 42*</u>

3. *We have read your response to comment 16 in our letter dated April 27, 2010 and have reviewed the supplemental CODM reports provided to us. As previously requested, please provide to us the CODM reports for the twelve months ended December 31, 2009 and 2008. Please also provide such reports for the quarter ended March 31, 2010 and March 31, 2009. Based on the set of bullet points in your response, it appears you believe that you have more than one operating segment but have aggregated them into one reportable segment. If so, it is not clear to us, given the CODM reports, that the operating segments exhibit similar economic characteristics, which is the foremost criterion for aggregation as described in ASC Topic 280-10-50-11. Please explain why it is appropriate to aggregate material operating segments that have different profit or operating margins.*

Response: Ameresco believes that it has only one operating segment and did not intend to imply, in its previous response, that it is aggregating multiple operating segments into one reportable segment. The Company also believes that its CODM reports, previously furnished to the Staff, clearly support this conclusion.

Ameresco's business throughout all of its geographic regions is to provide energy solutions that enable its customers to reduce their energy consumption, lower costs and realize environmental benefits. The Company offers its customers a "menu" of various types of products and services, from which the customer selects the particular combination best suited for its needs. It is rare that any two customer projects would be comprised of the same combination of particular products and services, but all the projects are designed to achieve similar purposes for customers. There is nothing inherently different in the economic characteristics from project to project or product to product. While the Company generally seeks to apply consistent mark-ups, and achieve consistent gross margins or rates of return, across all of its customer projects, prices and margins may vary from time to time, from region to region and from project to project due to variables such as timing of implementation, competition, project scope and configuration, and unforeseen construction and operational issues.

The CODM, George P. Sakellaris, is focused primarily on the Company's overall performance, receiving each month a complete, three-statement report of the consolidated financial results. Additionally, in order to gain insight on potential issues, he views monthly reports showing certain limited financial results for 17 different areas of responsibility, including regions of operation, functional areas and owned renewable energy projects. Importantly, these monthly reports are rolled-up directly into the monthly consolidated financial results for the Company and are not aggregated on any other basis. It should also be noted that:

- The Company maintains a single general ledger and there are not separate ledgers for each area of responsibility;
- The financial results of the Company are compiled on a centralized basis;
- Resources (functional groups and cost centers) are shared across the areas of responsibility;
- The monthly CODM reports are imprecise, "quick snapshots" that show part, but not all, of the costs and cash flows relevant to each area of responsibility, primarily those costs and cash flows that are variable — they do not constitute discrete financial information;

- The monthly CODM reports are prepared so that the CODM can quickly identify potential problems and issues and take steps to address them; they are not prepared either to present a complete view of the operating performance of any area or to allocate resources;
- Resources are allocated primarily through a centralized process based largely on market opportunities and specific customer projects and their stage of development or implementation.

In conclusion, the Company believes that the CODM reports demonstrate that management approaches the Company's business as a single operating segment and that to establish more than one reportable segment would be to present the Company's business in a manner inconsistent with how the CODM manages the business and inconsistent with the guidance provided by ASC 280.

Stock Based Compensation Expense, page 50

4. *We have read your response to comment 17 in our letter dated April 27, 2010 and the revisions made in the filing related thereto. Please tell us your sales, net income and Adjusted EBITDA as of the quarters ended June 30, 2009 and September 30, 2009. Please update the table on page 52 for any options granted during the fourth quarter of 2009, the first quarter of 2010 and the options granted on April 26, 2010. If you are placing greater emphasis on the use of projected adjusted EBITDA in your fair value estimations, please disclose the adjusted EBITDA growth rate assumptions underlying your stock value estimates since the stock compensation amounts on page 10 are material to operating income, net income and adjusted EBITDA. Refer to Section 501.14 of the FRC. For example, as previously requested, if your 2009 adjusted EBITDA projections assumed an annual growth rate approximating 82%, which is the increase in your common stock value between January 28, 2009 and September 25, 2009, then that fact should be clearly disclosed and fully explained. Please note we may have further comment once the filing has been updated to include the March 31, 2010 financials and/or when the estimated offering price has been added to the prospectus.*

Response: The Company's revenue, net income and adjusted EBITDA for the quarter ended March 31, 2009 were $73.4 million, $0.4 million and $2.4 million, respectively. The Company's revenue and adjusted EBITDA for the quarter ended June 30, 2009 were $92.5 million and $4.2 million, respectively. The Company's revenue and adjusted EBITDA for the quarter ended September 30, 2009 were $128.5 million and $13.4 million, respectively. The Company's independent auditor has not performed a review under AU 722, *Interim Financial Information*, of the operating results for the second or third quarters of 2009 and such operating results are therefore subject to adjustment based on such a review. Because no AU 722 review has been performed for such quarters, and because net income was not an operating metric used by the Company in determining enterprise value and common stock valuation, the Company respectfully requests that it not be required to provide at this time its net income for those quarters. The improvement in the Company's operating results over those three quarters supports the improvement in the 12 months projected adjusted EBITDA over that same time period, which (as noted in the disclosure on pages 54 and 55 of Amendment No. 3) was a key factor underlying the increased common stock valuation between January 2009 and September 2009.

The Company has updated the table on page 52 to reflect the options granted in April 2010. There were no options granted in the fourth quarter of 2009 or the first quarter of 2010.

As disclosed on page 54, the Company placed greater emphasis on projected adjusted EBITDA in determining common stock valuation. The Company has added disclosure on pages 54 and 55 regarding the relative increases in projected adjusted EBITDA since January 2009. Although the valuation of the Company's common stock increased 82% between January 2009 and September 2009, this increase was not based solely on an increase in projected adjusted EBITDA (which increased 30% between those dates). As noted on pages 54 and 55, the market valuation multiple applied to projected adjusted EBITDA increased from eight in January 2009 to 11 in September 2009; the cash from the pro forma exercise of stock options (which, as described on page 52, is taken into account in applying the market approach to estimate fair value) increased significantly between January and September 2009; and the September valuation also took into account the Company's expectation that it would undertake an initial public offering within nine months.

<u>*Liquidity and Capital Resources, page 58*</u>

5. *We have read your response to comment 20 in our letter dated April 27, 2010 and the revisions made in the filing related thereto. Based on these revised disclosures, it remains unclear how the $1.5 million increase in the restricted cash line item on the balance sheet has been reflected on the statement of cash flows. We note your explanation of the $33.1 million and $25.5 million withdrawn during 2009 and 2008, respectively; however, these amounts appear to be represented only in the operating section of the cash flow statement. Alternatively, provide a rollforward of the restricted*

cash account and disclose where the significant components are included in the statement of cash flows.

Response: The Company reflects restricted cash as an operating asset on its consolidated balance sheet and withdrawals from existing restricted cash accounts as cash flow from operations on its consolidated statements of cash flows. The creation of new restricted cash accounts is reflected as a decrease to cash flows from financing activities on the Company's consolidated statements of cash flows. Appended as Schedule 1 is a rollforward of the restricted cash account for the periods ending December 31, 2008 and 2009, which indicates where the significant components of restricted cash movements are included in the Company's consolidated statements of cash flows.

Project Financing, page 60

6. *We have read your response to comment 21 in our letter dated April 27, 2010 and the revisions made in the filing related thereto. You state "As of December 31, 2009, except as noted above, we were in compliance with all of our financial and operational covenants." It is not clear to what you are referring with the "except as noted above" qualification. Please clarify this in your filing.*

Response: The Company has revised page 63 of Amendment No. 3 in response to this comment.

Compensation Discussion and Analysis, page 90

Elements of Our Executive Compensation Program, page 91

Annual Incentive Bonus Program, page 92

7. *We note your response to comment 26 in our letter dated April 27, 2010. It does not appear that you have provided the secondary disclosure required by Instruction 4 to Item 402(b) of Regulation S-K regarding the difficulty for your named executive officers of achieving your undisclosed organizational unit goals. Please revise your disclosure accordingly. Additionally, please provide us with an analysis that explains in more detail how the disclosure of organizational unit goals would give competitors insight into your strategy and hiring needs.*

Response: The Company has included additional disclosure on page 95 of Amendment No. 3 concerning the anticipated difficulty of the Company achieving the revenue and adjusted EBITDA from ongoing operations goals for this organizational unit, as required by Instruction 4 to Item

402(b) of regulation S-K. The Company advises the staff that it believes that if competitors were aware of the revenue and adjusted EBITDA from ongoing operations of this organizational unit, they would gain valuable information about the attractiveness of the business opportunity presented by this aspect of the Company's business, and may devote additional resources to competing with the Company in this market. There have been several examples in the past of competitors of the Company following the Company into markets or business opportunities (such as providing energy efficiency services to the public housing market and converting traffic lights for municipalities to LED-based lights) in which the Company believes it was the first in its industry to gain a foothold. Competitors may also place additional focus on hiring personnel for this part of the business, including attempting to hire current employees of the Company.

13. Commitments and Contingencies, page F-30

8. *We have read your response to comment 31 in our letter dated April 27, 2010 and the revisions made in the filing related thereto. You state on page F-31 that "The Company did not record an accrual for this matter as it was not deemed necessary." Please revise your filing to disclose, if true; that you did not record such an accrual because you believe that it is remote that a liability would be incurred related to this claim/matter.*

Response: The Company has revised page F-31 of Amendment No. 3 in response to this comment. The Company did not provide an additional accrual beyond the adjustments made to its expected profit on the contract as the Company believes the likelihood of any additional adjustments or accruals is remote.

Part II — Information Not Required in Prospectus, page II-1

Item 16. Exhibits, page II-3

9. *We note your response to comment 37 in our letter dated April 27, 2010, and the Amended and Restated Credit and Security Agreement dated June 10, 2008, re-filed as Exhibit 10.5 to Amendment No. 2 to Form S-1. However, this exhibit appears to omit Schedules A and 2.1 with no corresponding request for confidentiality. Please file this credit agreement in its entirety, including all schedules and exhibits referenced therein. Please refer to Item 601(b)(10) of Regulation S-K.*

Response: The Company has refiled the Amended and Restated Credit and Security Agreement dated June 10, 2008 (the "Agreement"), including Schedule A, which was inadvertently omitted from the previously-filed Exhibit 10.5.

Although the Agreement contains internal references to Schedule 2.1, the Company confirms to the Staff that such schedule does not form a part of the Agreement and does not, in fact, exist.

Item 17. Undertakings, page II-3

10. *We note your response to comment 36 in our letter dated April 27, 2010, and reissue this comment. Unless you are planning to conduct the subject offering in reliance on Rule 415 of Regulation C and omit information from your prospectus in reliance on Rule 430C of Regulation C, please remove as inapplicable the undertakings provided in paragraphs (3) and (4) on page II-4.*

Response: The Company has revised page II-3 of Amendment No. 3 in response to this comment.

******

Please do not hesitate to contact the undersigned (617-526-6421) or Patrick J. Rondeau (617-526-6670) with any questions regarding this response letter.

Very truly yours,

/s/ Jason L. Kropp

Jason L. Kropp

Schedule 1

	12/31/2007	12/31/2008	Change in Accounts	Cash Flows Effect	Cash Flow Effects - Operations: Contracts creating Additional Federal ESPC Receivables	Cash Flow Effects - Operations: Releases of Restricted Cash for Operating Costs	Cash Flow Effects - Financing: Restrictions on Cash for Financing Requirements
Restricted Cash Accounts	$ 7,321,445	$ 7,743,238	$ 421,793	$ (421,793)		$ 1,978,787	$ (2,400,580)
Other ESPC Activity					$ (2,760,459)		
Long Term Debt — ESPC Projects					$ (23,540,560)	$ 23,540,560	
Total					$ (26,301,019)	$ 25,519,347	$ (2,400,580)
Cash Flow Line Item Reference:					Federal ESPC Receivable Financing	Restricted Cash Draws	Restricted Cash

	12/31/2008	12/31/2009	Change in Accounts	Cash Flows Effect	Cash Flow Effects - Operations: Contracts creating Additional Federal ESPC Receivables	Cash Flow Effects - Operations: Releases of Restricted Cash for Operating Costs	Cash Flow Effects - Financing: Restrictions on Cash for Financing Requirements
Restricted Cash Accounts	$ 7,743,238	$ 9,249,885	$ 1,506,647	$ (1,506,647)		$ 1,585,943	$ (3,092,590)
Other ESPC Activity					$ (21,435,496)		
Long Term Debt — ESPC Projects					$ (31,465,483)	$ 31,465,483	
Total					$ (52,900,979)	$ 33,051,426	$ (3,092,590)
Cash Flow Line Item Reference:					Federal ESPC Receivable Financing	Restricted Cash Draws	Restricted Cash