As filed with the Securities and Exchange Commission on June 18, 2010

Registration No. 333-165821

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

Amendment No. 4
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.

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Subject to Completion
Preliminary Prospectus dated June 18, 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. George P. Sakellaris, our founder, principal stockholder, president and chief executive officer, will, following this offering, own shares of Class A and Class B common stock representing % of the combined voting power of our outstanding Class A and Class B common stock.

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. **Madison Williams and Company** **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.

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	18,000,000 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”

All shares being offered hereby by Ameresco and the selling stockholders will be sold to the underwriters as described under “Underwriting.”

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:

- 15,065,490 shares of our Class A common stock outstanding as of May 31, 2010;
- 18,000,000 shares of our Class B common stock outstanding as of May 31, 2010;
- shares of our Class A common stock to be issued upon the exercise of vested stock options by the selling stockholders in connection with this offering at a weighted-average exercise price of $; and
- shares of our Class A common stock offered by us in this offering;

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 May 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;
- 9,593,594 shares of our Class A common stock issuable upon the exercise of stock options outstanding as of May 31, 2010 at a weighted-average exercise price of $3.88 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)	$ 27,974	$ 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	110,227
Long-term debt, less current portion	128,374	128,374	128,374
Subordinated debt	2,999	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	$ 27,974	$ 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 March 31, 2010, we had backlog of approximately $635 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 $618 million over the same period. As of March 31, 2009, we had backlog of approximately $260 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 2012, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $926 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 George P. Sakellaris, who is our founder, principal stockholder, 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, which, together with his Class A common stock, will represent % 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; however, we will receive an aggregate of $ million from the exercise of stock options being exercised by selling stockholders in connection with this offering.

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. Although we are engaged in discussions with respect to a potential acquisition for consideration of less than $10 million, 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, (4) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock and (5) the issuance of shares of our Class A common stock upon the exercise of vested stock options by the selling stockholders in connection with this offering at a weighted-average exercise price of $; 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	140,115
Subordinated debt	2,999	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	—	—
Class A common stock, par value $0.0001 per share; no shares authorized, issued or outstanding, actual; 500,000,000 shares authorized, shares issued or outstanding, pro forma; 500,000,000 shares authorized, shares issued and outstanding, pro forma as adjusted	—	2	
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	—	0	
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	

	March 31, 2010		
	Actual	Pro Forma	Pro Forma as Adjusted
		(Unaudited)	
	(In thousands, except share and per share amounts)		
Retained earnings	99,161	99,161	99,161
Accumulated other comprehensive income (loss)	3,506	3,506	3,506
Treasury stock, 4,715,884 shares, at cost	(8,414)	(8,414)	(8,414)
Total stockholders' equity	105,160	105,160	
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 at an exercise price of $0.005 per share, which will remain outstanding after this offering if not exercised prior to this offering;
- shares of our 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.

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 (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of Class B common stock and (v) the issuance of shares of our Class A common stock upon the exercise of vested stock options by the selling stockholders in connection with this offering at a weighted-average exercise price of $, 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;
- 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	$ 27,974	$ 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	256,870	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
				(In thousands)		(Unaudited)	
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	—	594	2,679	2,941	3,169	617	439
Recovery of contingency	—	—	—	(5,850)	—	—	—
Adjusted EBITDA	$ 18,254	$ 19,927	$ 27,974	$ 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 provide 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.

We report results under ASC 280 for four segments: U.S. federal, central U.S. region, other U.S. regions and Canada. Each segment provides customers with energy efficiency and renewable energy solutions. These segments do not include results of other activities, such as O&M and sales of renewable energy and certain other renewable energy products, that are managed centrally at our corporate headquarters, or corporate operating expenses not specifically allocated to the segments. See Note 19 to our consolidated financial statements appearing at the end of this prospectus.

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 March 31, 2010, we had backlog of approximately $635 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 $618 million over the same period. As of March 31, 2009, we had backlog of approximately $260 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 2012, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $926 million over the period from 2009 to 2013. 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 are exposed to interest rate risk through our borrowing activities. A portion of our project financing includes three projects that utilize a variable rate swap instrument. Prior to December 31, 2009, 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. During the three months ended March 31, 2010, we entered into a 14-year interest rate swap contract 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.

We recognize all derivatives in our consolidated financial statements at fair value.

The interest rate swaps that we entered into prior to December 31, 2009, qualify, but have not been designated, as fair value hedges. As such, any changes in fair value are reported in other income (expense) in our consolidated statements of income and comprehensive income. Cash flows from these derivative instruments are reported as operating activities on the consolidated statements of cash flows.

The interest rate swap that we have entered into during 2010 does qualify, and has been designated, as a fair value hedge. We recognize the fair value of this derivative instrument in our consolidated balance sheets and any changes in the fair value are recorded as adjustments to other comprehensive income (loss).

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.

Business Segments

We report four segments: U.S. federal, central U.S. region, other U.S. regions and Canada. Each segment provides customers with energy efficiency and renewable energy solutions. The other U.S. regions segment is an aggregation of three regions: northeast U.S., southeast U.S. and southwest U.S. These regions have similar economic characteristics — in particular, expected and actual gross profit margins. In addition, they sell products and services of a similar nature, serve similar types of customers and use similar methods to distribute their products and services. Accordingly, these three regions meet the aggregation criteria set forth in ASC 280. The "all other" category includes activities, such as O&M and sales of renewable energy and certain other renewable energy products, that are managed centrally at our corporate headquarters. It also includes all corporate operating expenses not specifically allocated to the segments. We do not allocate any indirect expenses to the segments.

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 George P. Sakellaris, our founder, principal shareholder, president and chief executive officer 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 to May 28, 2010	876,000	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 $11.8 million and reduced by debt of $10.5 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 $45.5 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 $45.5 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 and May 28, 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 from September 25, 2009 to April 26, 2010 and May 28, 2010 were:

- a 30% increase in our next 12 months projected adjusted EBITDA between September 25, 2009 and the two relevant dates in 2010, 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.

Business segment revenue. Total revenue for the U.S. federal segment increased $12.9 million, or 107.2%, to $24.9 million in the first quarter of 2010, compared to the first quarter of 2009, primarily due to increased installation of renewable energy facilities and other projects. Revenue recognized on the installation of a renewable energy project for the U.S. Department of Energy accounted for a significant portion of our revenue for this segment in the first quarter of 2010. Total revenue for the central U.S. region segment increased $7.5 million, or 67.5%, to $18.6 million in the first quarter of 2010, compared to the first quarter of 2009, primarily due to the increased installation of energy efficiency projects. Total revenue for the Canada segment increased $5.4 million, or 41.5%, in the first quarter of 2010, to $18.4 million, compared to the first quarter of 2009, primarily due to a larger volume of construction activity related to the installation of energy efficiency measures, particularly two large projects for housing authorities. Total revenue from the other U.S. regions segment increased $4.3 million, or 24.5%, to $21.7 million in the first quarter of 2010, compared to the first quarter of 2009, primarily due to an increase in the size and, to a lesser extent, the number of projects under construction. Total revenue not allocated to segments and presented as all other increased $2.2 million, or 11.1%, to $22.1 million in the first quarter of 2010, compared to the first quarter of 2009, primarily due to increased renewable energy sales, partially offset by slower sales of renewable energy products.

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.

Business Segment Income Before Taxes. Income before taxes for the U.S. federal segment increased $0.5 million, or 37.4%, in the first quarter of 2010 compared to the first quarter of 2009, primarily due to increased revenue, partially offset by 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 respective construction budgets. Income before taxes for the central U.S. region segment increased $0.8 million to $1.0 million in the first quarter of 2010 compared to the first quarter of 2009, primarily due to a combination of higher revenue and improved margins arising from better utilization of resources. Income before taxes for the Canada segment increased $0.3 million to $0.4 million in the first quarter of 2010 compared to the first quarter of 2009, primarily due to higher revenue and improved margins earned on projects. Income before taxes for the other U.S. regions segment increased by $0.9 million, or 77.2%, to $2.2 million in the first quarter of 2010 compared to the first quarter of 2009. The increase in this segment was primarily due to increased revenue and an increase in the profit margin during the first quarter of 2010 from the same period in 2009, as the segment avoided certain cost overruns that impacted results in 2009. The loss before taxes not allocated to segments and presented as all other, increased by $1.6 million, or 68.8%, to $3.9 million in the first quarter of 2010, compared to the first quarter of 2009, primarily due to the lower margins on renewable energy sales, and an increase in both operating expenses and other expenses. The amounts of unallocated corporate expenses for the first quarters of 2009 and 2010 were $6.5 million, and $7.3 million, respectively. The changes in the expenses allocated to all other from the first quarter of 2009 to the first quarter of 2010 were consistent with the overall change in consolidated expenses discussed above. Income before taxes and unallocated corporate expenses for all other was $3.4 million in the first quarter of 2010, a $0.7 million, or 17.1%, decrease compared to the first quarter of 2009.

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 $15.7 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 $87.3 million in 2008 and $100.4 million in 2007.

Business segment revenue. Total revenue for the U.S. federal segment increased from 2008 to 2009 by $18.3 million, or 26.3%, to $87.6 million, primarily due to an increase in the number of projects being installed primarily for the U.S. federal government. During 2009, work commenced, and revenue was recognized, on the installation of a large renewable energy project for the U.S. Department of Energy. Total revenue for the U.S. federal segment increased from 2007 to 2008 by $7.1 million, or 11.4%, to $69.3 million, primarily as a result of increased construction of energy efficiency measures. Total revenue for the central U.S. region segment increased from 2008 to 2009 by $13.1 million, or 17.4%, to $88.1 million, primarily due to an increase in the number of energy efficiency projects in construction. Total revenue for the central U.S. region segment increased from 2007 to 2008 by $9.2 million, or 14.1%, to $75.0 million, also primarily due to an increase in the number of energy efficiency projects in construction. Total revenue in 2009 for the Canada segment was virtually flat, decreasing by $0.4 million, or 0.4%, compared to 2008, to $83.6 million. Total revenue for the Canada segment decreased from 2007 to 2008 by $16.2 million, or 16.2%, to $84.0 million, primarily due to a slowdown in the installation of energy efficiency measures. Total revenue for the other U.S. regions segment decreased from 2008 to 2009 by $0.8 million, or 1.1% to $77.8 million. Total revenue for the other U.S. regions segment decreased from 2007 to 2008 by $2.3 million, or 2.9%, to $78.7 million. The decreases in both years were primarily due to a generally flat level of business throughout the period in the other U.S. regions segment. Total revenue not allocated to segments and presented as all other, increased from 2008 to 2009 by $2.6 million, or 2.9%, to $91.4 million, due to increases in O&M revenues and the sales of renewable energy products. Total revenue not allocated to segments and presented as all other increased from 2007 to 2008 by $19.5 million, or 28.2%, to $88.8 million, primarily due to an increase in sales of renewable energy products.

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.

Business Segment Income Before Taxes. Income before taxes for the U.S. federal segment increased from 2008 to 2009 by $6.3 million, or 124.8%, to $11.3 million. The increase was primarily due to increased revenue and higher margins recognized on project installations. In 2009, we recognized additional operating profit on certain of our construction projects that we were able to complete at a total cost below the respective construction budgets. In 2008, income before taxes for the U.S. federal segment increased from 2007 to 2008 by $0.8 million, or 18.6%, to $5.0 million. Higher revenue, along with better operating margins, were the primary contributors to this increase.

Income before taxes for the central U.S. region segment increased from 2008 to 2009 by $2.0 million, or 24.1%, to $10.1 million. The increase was primarily due to higher revenue and improved margins arising from more effective utilization of resources. Income before taxes for the central U.S. region segment decreased from 2007 to 2008 by $0.6 million, or 7.1%, to $8.2 million. The decrease was primarily due to lower realized margins on installed projects and a significant increase in the development of new projects resulting in increased costs that are incurred prior to the commencement of construction and the associated recognition of revenue.

Income before taxes for the Canada segment was unchanged at $4.2 million in both 2009 and 2008, which was consistent with the slight change in revenue for this segment. Income before taxes for the Canada segment decreased from 2007 to 2008 by $1.9 million, or 31.5%, to $4.2 million. This decrease was primarily due to the decrease in total revenue and a decrease in margins related to lower utilization rate for staff and other resources.

Income before taxes for the other U.S. regions segment decreased from 2008 to 2009 by $7.8 million, or 60.4%, to $5.1 million, primarily due to a decrease in gross profit margins. The lower gross profit margins were the result of a higher number of low margin projects accepted during a period of slower business activity in order to maintain utilization levels. Income before taxes for the other U.S. regions segment increased from 2007 to 2008 by $5.2 million, or 67.8%, primarily due to an improvement in gross profit margins, due largely to a reduction in construction cost overruns.

The loss before taxes not allocated to segments and presented as all other, decreased from 2008 to 2009 by $6.9 million, or 64.7%, to $3.8 million, primarily due to an increase in other income. The loss before taxes not allocated to segments and presented as all other increased from 2007 to 2008 by $0.2 million, or 2.0%, to $10.7 million, primarily due to increases in operating expenses and other expenses, partially offset by the recovery of a contingency that we had established in connection with our acquisition of Select Energy in 2006. The amounts of unallocated corporate expenses for 2007, 2008 and 2009 were $28.8 million, $31.9 million and $25.1 million, respectively. The changes in the expenses allocated to all other from 2008 to

2009 and 2007 to 2008 were consistent with the overall change in consolidated expenses discussed above. Income before taxes and unallocated corporate expenses for all other was $21.3 million in 2009, a $0.1 million, or 0.2%, increase compared to 2008. Income before taxes and unallocated corporate expenses for all other was $21.3 million in 2008, a $3.0 million, or 16.2%, increase compared to 2007.

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 $29.4 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 contracts decreased by $7.6 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. The bankruptcy filing by the customer constitutes an event of default under the credit agreement, which could subject us to an assessment of default interest charges. To date, no such interest charges have been assessed. 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 entered into prior to December 31, 2009, qualify, but have not been designated, as fair value hedges. The interest rate swap that we have entered into during 2010 does qualify, and has been designated, as a fair value hedge.

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 March 31, 2010, we had backlog of approximately $635 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 $618 million over the same period. As of March 31, 2009, we had backlog of approximately $260 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 2012, and we had been awarded, but not yet signed customer contracts for, projects with estimated total future revenue of an additional $926 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."

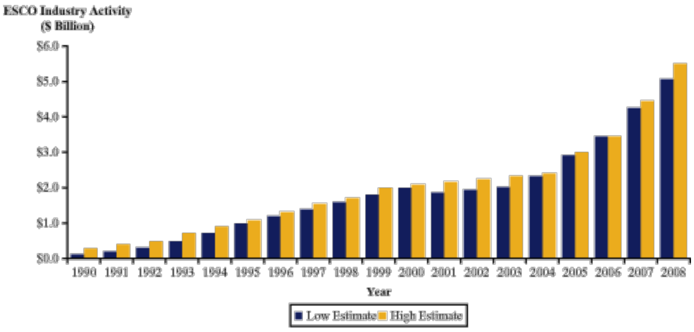
Industry Overview

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.

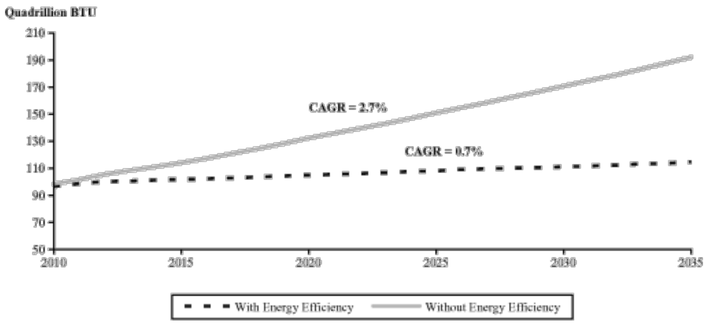
Industry Trends

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



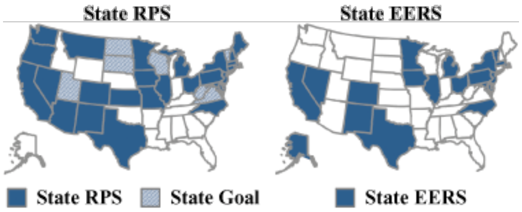
According to a July 2009 report by McKinsey & Company, economically viable and commercially available energy efficiency measures, if fully implemented, have the potential to save more than one trillion kWh of electricity, or 23% of overall U.S. demand, by 2020.

- *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 March 31, 2010, 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 March 31, 2010, 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 March 31, 2010, we had signed contracts for the construction, operation and ownership of an additional four 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 24 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 MW, 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 40% 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 May 31, 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	50	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	54	Vice President and Chief Financial Officer
William M. Bulger	76	Director(3)
Douglas I. Foy	63	Director(2)(3)
Michael E. Jesanis	53	Director(1), (2)
Guy W. Nichols	84	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.

Douglas I. Foy: Mr. Foy has served as a director since May 2010. Since 2006, Mr. Foy has served as president of Serrafix Corporation, a provider of strategic consulting, financing and logistical support to energy efficiency projects, which he founded. From January 2003 to February 2006, Mr. Foy served as the first secretary of the Massachusetts Office for Commonwealth Development, where he oversaw the Executive Office of Transportation, the Executive Office of Environmental Affairs, the Department of Housing and Community Development and the Department of Energy Resources. Prior to his service with the Massachusetts Office for Commonwealth Development, Mr. Foy served for 25 years as president of the Conservation Law Foundation, an environmental advocacy organization. We believe that Mr. Foy is qualified to serve as a director because of his extensive leadership experience in environmental policy and the energy and sustainable development industries, including as president of Serrafix and the Conservation Law Foundation.

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. 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.

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.

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 eight members. 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 Foy, 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 none of Messrs. Sakellaris, Corrsin or Anderson qualifies as an independent director.

Our board has determined that each of Messrs. Bulger, Foy, 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. Foy, Jesanis and Sutton. 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 96 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, Foy and Nichols. 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 Messrs. Sakellaris, Anderson or Corrsin has ever received any compensation in any form in connection with his service as a director, and none of Messrs. Bulger, Nichols or Sutton received any compensation in any form in connection with his service as a director in 2009. Messrs. Jesanis and Foy were appointed to our board of directors in April 2010 and May 2010, respectively, and have received and will receive the compensation set forth below in connection with their service as directors.

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 our 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. Spence, Maltezos, Derrington and Cunningham by 4.8%, 9.3%, 9.8% and 17.9%, 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	$ 429	million
Adjusted EBITDA from ongoing operations*	$37.0	million	$35.4	million
Value of customer contracts signed	$ 800	million	$ 836	million
Proposal volume	$1.70	billion	$1.73	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 $2.7 million, which represents 7.3% (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 101) 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. Derrington — total sales, revenue and adjusted EBITDA for a particular organizational unit; develop management team for particular organizational unit; operational efficiencies; business development activities; and customer satisfaction.

Mr. Cunningham — marketing and business development initiatives.

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.

Mr. Sakellaris elected to forego his annual incentive bonus for 2009.

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 entered into employment agreements with several of our executive officers. Each of these agreements provides the executive officer with certain severance benefits in connection with certain terminations of the executive's employment both before and after a change of control of us. See "Executive Compensation — Potential Payments upon Termination or Change of Control" and "Executive Compensation — Employment Agreements" 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 ($)	Bonus ($)	Option Awards ($)(1)	All Other Compensation ($)(2)	Total ($)
George P. Sakellaris(3) *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	55,000	16,816	14,504	306,320
Louis P. Maltezos *Executive Vice President and General Manager*	250,000	76,000	119,658	15,870	461,528
Keith A. Derrington *Executive Vice President and General Manager, Federal Operations*	250,000	100,000	—	15,314	365,314
William J. Cunningham *Senior Vice President, Corporate Government Relations*	250,000	50,000	20,834	15,175	336,009

(1) 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.

(2) 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
Keith A. Derrington	14,205	1,109	—	15,314
William J. Cunningham	14,005	1,170	—	15,175

(3) Mr. Sakellaris is also a member of our board of directors, but does not receive any additional compensation in his capacity as a director.

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
Keith A. Derrington	—	—	—	——	—	—
William J. Cunningham	7/22/2009	7/22/2009	50,000	6.055	9.00	450,000

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
Keith A. Derrington	200,000	—	2.75	7/20/2014
	55,000	45,000	3.41	1/24/2017
William J. Cunningham	—	50,000	6.055	7/22/2019

(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	—	—	—	—
Keith A. Derrington	—	—	—	—
William J. Cunningham	—	—	—	—

(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 had been most recently determined by our board of directors, by the number of vested shares.

Potential Payments Upon Termination or Change of Control

The table below summarizes the potential payments to each of our named executive officers 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, on December 31, 2009.

Name	Severance Payments	Value of Additional Vested Option Awards($)(1)	Total Benefits
George P. Sakellaris	—	(2)	
Andrew B. Spence	—	(3)	
Louis P. Maltezos	—	(4)	
Keith A. Derrington	250,000	(5)	
William J. Cunningham	250,000	(6)	

(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 270,000 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 35,000 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 150,000 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 100,000 shares of Class A common stock would vest and become immediately exercisable.

(6) Upon termination without cause or resignation for good reason prior to the one-year anniversary of a sale of our company, options to purchase 22,500 shares of Class A common stock would vest and become immediately exercisable.

Employment Agreements

We have entered into employment agreements with Messrs. Derrington and Maltezos providing for an employment period of three years, unless terminated earlier in a manner permitted by the employment agreement.

In the event that either Mr. Derrington's or Mr. Maltezos' employment is terminated either (i) prior to an acquisition of our company, by us without cause or (ii) following an acquisition of our company, by us without cause or by him for good reason, then we will provide him with one year of salary continuation, provided that he enters into a release of claims in a form reasonably acceptable to us within 60 days following the date of termination.

Each of Messrs. Derrington and Maltezos has also agreed not to compete with us and not to solicit our employees for alternative employment during the term of his employment and if he voluntarily ends his employment without good reason or is terminated by us for cause, for an additional period that will end on the later of (i) six months after the end of his employment or (ii) three years after the closing of this offering.

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 May 31, 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 56.22% 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 May 31, 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.

We have entered into non-competition and non-solicitation agreements with certain of the selling stockholders which prohibit them from engaging in specified activities that are competitive with us and from soliciting our employees until the later of six months after employment termination and the three-year anniversary of the closing of this offering.

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 1,738,620 shares of our Class A common stock, which includes 405,286 shares of our Class A common stock issuable upon exercise of a warrant. AMCAP is no longer a stockholder. 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 notice of our intent to make the registration and, subject to certain exceptions, Mr. Byrne will have the right to request that some or all of their shares be included in such registration. If Mr. Byrne 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 registration rights under the stockholder agreement expire upon the earliest of the second anniversary of the closing of this offering, the time when he 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 the warrant, and the time when Mr. Byrne holds less than two percent of our Class A and Class B common stock (assuming the issuance of all shares of Class A common stock reserved for issuance under our 2000 and 2010 stock plans).

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 15,065,490 shares of our Class A common stock and 18,000,000 shares of our Class B common stock outstanding as of May 31, 2010. These 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 May 31, 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 of beneficially owned shares 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." Voting power of less than one percent is denoted with an asterisk (*).

	Shares Beneficially Owned Prior to Offering					Shares of Class A Common Stock Being Offered(12)	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	22.24	18,000,000	100.00	88.85				18,000,000	100.00	
Samuel T. Byrne(2)	1,738,620	11.24	—	—	1.65				—	—	
Arthur P. Sakellaris(3)	1,600,000	10.62	—	—	1.52	—			—	—	
David J. Anderson(4)	1,020,000	6.77	—	—	*				—	—	*

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering					Shares of Class A Common Stock Being Offered(12)	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
	Shares	%	Shares	%			Shares	%	Shares	%	
Michael R. Castonguay(5)	910,000	5.90	—	—	*	—			—	—	*
Directors and Named Executive Officers:											
Andrew B. Spence(6)	480,000	3.09	—	—	*	—			—	—	*
Louis P. Maltezos(7)	430,000	2.78	—	—	*				—	—	*
William J. Cunningham(6)	10,000	*	—	—	*	—			—	—	*
Keith A. Derrington(8)	270,000	1.76	—	—	*				—	—	*
David J. Corrsin(9)	1,500,000	9.96	—	—	1.43				—	—	*
William M. Bulger(6)	150,000	*	—	—	*	—			—	—	*
Douglas I. Foy	—	—	—	—	—	—			—	—	*
Michael E. Jesanis	—	—	—	—	—	—			—	—	*
Guy W. Nichols(6)	150,000	*	—	—	*	—			—	—	*
Joseph W. Sutton(10)	1,000,000	6.64	—	—	*	—			—	—	*
All executive officers and directors as a group (15 persons)(11)	9,807,500	55.99	18,000,000	100.00	92.83				18,000,000	100.00	
Other Selling Stockholders(13):											
Michael Bakas(14)	637,500	4.19	—	—	*				—	—	*
John L. Bosch(14)	55,000	*	—	—	*				—	—	*
Mark Bruce	204,000	1.35	—	—	*				—	—	*
Peter Christakis(14)	344,500	2.27	—	—	*				—	—	*
John Clune(15)	66,100	*	—	—	*				—	—	*
Enzo Colangelo(14)	61,000	*	—	—	*				—	—	*
Jeanette Coleman-Hall	76,500	*	—	—	*				—	—	*
Anthony DaSilva(14)	329,000	2.14	—	—	*				—	—	*
Janice DeBarros(14)	128,000	*	—	—	*				—	—	*
Paul Dello Iacono(14)	100,000	*	—	—	*				—	—	*
Joseph DeManche(14)	420,000	2.71	—	—	*				—	—	*
Timothy Detlaff(14)	70,000	*	—	—	*				—	—	*
Kathleen DevlinRuggiero(14)	367,250	2.42	—	—	*				—	—	*
Mark Feichtner(14)	165,000	1.08	—	—	*				—	—	*
Edward Golfetto(14)	37,000	*	—	—	*				—	—	*
Alex J. Harkness(14)	60,000	*	—	—	*				—	—	*
Vivekanand Hegde	120,000	*	—	—	*				—	—	*
Ben Heuiser(14)	40,000	*	—	—	*				—	—	*
Mohsin Huq(14)	40,000	*	—	—	*				—	—	*
Mario Iusi(14)	390,000	2.52	—	—	*				—	—	*
Lillian Kamalay(14)	87,000	*	—	—	*				—	—	*
Richard Kohrs(14)	153,000	1.02	—	—	*				—	—	*
Peter W. Kurpiewski(14)	68,300	*	—	—	*				—	—	*
Dean Lebron	204,000	1.35	—	—	*				—	—	*
David Maksymiuk(14)	60,000	*	—	—	*				—	—	*

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering: Class A Common Stock Shares	%	Class B Common Stock Shares	%	% Total Voting Power	Shares of Class A Common Stock Being Offered(12)	Shares Beneficially Owned After Offering: Class A Common Stock Shares	%	Class B Common Stock Shares	%	% Total Voting Power
Jeffrey Metcalf(14)	43,000	*	—	—	*				—	—	*
Stephen Morgan(16)	180,000	1.19	—	—	*				—	—	*
Craig Piercey(14)	37,000	*	—	—	*				—	—	*
Patriscia Puopolo(14)	30,000	*	—	—	*				—	—	*
David Seymour(14)	50,000	*	—	—	*				—	—	*
William Skosky(14)	115,000	*	—	—	*				—	—	*
Jeffrey Stander(14)	40,000	*	—	—	*				—	—	*
Christopher Sternadore(14)	75,000	*	—	—	*				—	—	*
Kevin A. Sullivan	255,000	1.69	—	—	*				—	—	*
Bhoopendra N. Tripathi(14)	150,000	*	—	—	*				—	—	*
Thomas Tsaros	204,000	1.35	—	—	*				—	—	*
Carl Von Saltza	440,000	2.92	—	—	*				—	—	*
Douglas Wall(14)	40,000	*	—	—	*				—	—	*
Alan Winkler(14)	366,666	2.42	—	—	*				—	—	*

(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. The shares of Class A common stock being offered by Mr. Sakellaris represent shares of restricted Class A common stock granted by us to Mr. Sakellaris as consideration for the personal indemnity provided by Mr. Sakellaris to our sureties.

(2) Includes 405,286 shares of our Class A common stock issuable upon the exercise of an exercisable warrant held by Mr. Byrne. Mr. Byrne's address is c/o CrossHarbor Capital Partners LLC, One Boston Place, Suite 2300, Boston, Massachusetts 02108. The shares of our Class A common stock being offered by Mr. Byrne were purchased directly from us by Mr. Byrne.

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

(4) Mr. Anderson is our employee. Mr. Anderson's address is c/o Ameresco, Inc., 111 Speen Street, Framingham, Massachusetts 01701. The shares of our Class A common stock being offered by Mr. Anderson consist of shares of restricted stock granted to him under our 2000 stock plan.

(5) Includes 350,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of May 31, 2010. Mr. Castonguay's address is c/o Ameresco, Inc., 111 Speen Street, Framingham, Massachusetts 01701.

(6) Consists of shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of May 31, 2010.

(7) Consists of shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of May 31, 2010. The shares of our Class A common stock being offered by Mr. Maltezos are issuable to him upon the exercise of an option granted to him pursuant to our 2000 stock plan that will be exercised in connection with this offering.

(8) Consists of shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of May 31, 2010. The shares being offered by Mr. Derrington are issuable to him upon the exercise an option granted to him pursuant to our 2000 stock plan that will be exercised in connection with this offering.

(9) The shares of our Class A common stock being offered by Mr. Corrsin consist of shares of restricted stock granted to him under our 2000 stock plan.

(10) 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.

(11) Includes 2,450,000 shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of May 31, 2010.

(12) If the underwriters' overallotment option is exercised in full, the additional shares to be sold by selling stockholders would be allocated as follows:

Selling Stockholder	Shares Subject to Overallotment Option
George P. Sakellaris	
Samuel T. Byrne	

If the underwriter's overallotment is exercised in part, the additional shares would first be sold by us, and then be allocated pro rata between Messrs. Sakellaris and Byrne based upon the share amounts set forth in the preceding table.

(13) Unless otherwise indicated in the footnotes below, (i) each other selling stockholder is our employee and (ii) the shares of our Class A common stock being offered by each of the other selling stockholders represent either shares of restricted stock granted to him or her under our 2000 stock plan, shares issued to him or her upon the exercise of options granted to him or her pursuant to our 2000 stock plan, or shares that are issuable to him or her upon the exercise of an option granted to him or her under our 2000 stock plan that will be exercised in connection with this offering.

(14) Includes shares of our Class A common stock issuable upon the exercise of options that are exercisable within 60 days of May 31, 2010.

(15) Mr. Clune is a former employee. The shares being offered by Mr. Clune were issued to him upon the exercise of options granted to him pursuant to our 2000 stock plan in his capacity as our employee.

(16) Mr. Morgan is a consultant to us. The shares being offered by Mr. Morgan are issuable to him upon the exercise an option granted to him pursuant to our 2000 stock plan in his capacity as our consultant that will be exercised in connection with this offering.

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, (iv) the conversion of all other outstanding shares of our convertible preferred stock into shares of our Class B common stock and (v) the issuance of shares of our Class A common stock upon the exercise of vested stock options by the selling stockholders in connection with this offering at a weighted-average exercise price of $, as of May 31, 2010, there were:

- 15,065,490 shares of our Class A common stock outstanding, held of record by 42 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 May 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; and
- 9,593,594 shares of our Class A common stock issuable upon the exercise of stock options outstanding as of May 31, 2010 at a weighted-average exercise price of $3.88 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 American Stock Transfer and Trust Company, LLC.

Stock Market Listing

We have applied to list our Class A common stock 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 15,065,490 shares of Class A common stock and 18,000,000 shares of our Class B common stock outstanding as of May 31, 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 9,593,594 shares of our Class A common stock that were issuable upon the exercise of stock options outstanding as of May 31, 2010, options to purchase shares were exercisable as of May 31, 2010 (excluding the shares of our Class A common stock that will be issued upon the exercise of vested stock options by the selling stockholders in connection with this offering) 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 May 31, 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 May 31, 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, which will remain outstanding after this offering if not exercised prior to this offering.

As of May 31, 2010, we had outstanding options to purchase 9,593,594 shares of our Class A common stock at a weighted-average exercise price of $3.88 per share, of which options to purchase 6,655,476 shares were exercisable as of May 31, 2010 (excluding the shares of our Class A common stock that will be issued upon the exercise of vested stock options by the selling stockholders in connection with this offering). 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.	
Madison Williams and Company LLC	
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
June 17, 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	Retained	Treasury Stock		Accumulated Other Comprehensive Income	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Earnings	Shares	Amount	(Loss)	Equity
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 of common stock will be increased to 60,000,000. 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	3,576,712	3,647,523	3,048,675
Warrants	3,595,219	404,914	405,030
Diluted weighted-average shares outstanding	37,552,953	33,990,547	32,705,617

Business Segments

The Company reports four segments: U.S. federal, central U.S. region, other U.S. regions and Canada. Each segment provides customers with energy efficiency and renewable energy solutions. The other U.S. regions segment is an aggregation of three regions: northeast U.S., southeast U.S. and southwest U.S. These regions have similar economic characteristics — in particular, expected and actual gross profit margins. In addition, they sell products and services of a similar nature, serve similar types of customers and use similar methods to distribute their products and services. Accordingly, these three regions meet the aggregation criteria set forth in ASC 280. The "all other" category includes activities, such as O&M and sales of renewable energy and certain other renewable energy products, that are managed centrally at the Company's corporate headquarters. It also includes all corporate operating expenses — salary and benefits, project development costs and general administrative and other — not specifically allocated to the segments. For the years ended December 31, 2007, 2008 and 2009, unallocated corporate expenses were $28,761,803, $31,938,110 and $25,090,295, respectively. Income before taxes and unallocated corporate expenses for all other in 2007, 2008 and 2009 was $18,297,472, $21,265,539 and $21,318,368, respectively. See Note 19.

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

AMERESCO, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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

	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 of common stock will be increased to 60,000,000. 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.

AMERESCO, INC.

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

	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:

		Fair Value as of December 31,	
	Level	2008	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. BUSINESS SEGMENT INFORMATION

The Company reports four segments: U.S. federal, central U.S. region, other U.S. regions and Canada. Each segment provides customers with energy efficiency and renewable energy solutions. The other U.S. regions segment is an aggregation of three regions: northeast U.S., southeast U.S. and southwest

U.S. These regions have similar economic characteristics — in particular, expected and actual gross profit margins. In addition, they sell products and services of a similar nature, serve similar types of customers and use similar methods to distribute their products and services. Accordingly, these three regions meet the aggregation criteria set forth in ASC 280. The “all other” category includes activities, such as O&M and sales of renewable energy and certain other renewable energy products, that are managed centrally at the Company’s corporate headquarters. It also includes all corporate operating expenses — salary and benefits, project development costs, and general administrative and other — not specifically allocated to the segments. The Company does not allocate any indirect expenses to the segments. For the years ended December 31, 2007, 2008, and 2009 unallocated corporate expenses were $28,761,803, $31,938,110 and $25,090,295, respectively. Income before taxes and unallocated corporate expenses for all other in December 31, 2007, 2008 and 2009 was $18,297,472, $21,265,539 and $21,318,368, respectively. The accounting policies are the same as those described in the summary of significant accounting policies.

Ameresco, Inc. and Subsidiaries
Fiscal 2009 Segment Reporting

	US Federal	Central U. S. Region	Other U.S. Regions	Canada	All Other	Total
Total revenue	$ 87,579,580	$ 88,067,983	$ 77,828,302	$ 83,632,845	$ 91,407,879	$ 428,516,589
Interest income	$ —	$ —	$ —	$ 23,511	$ 74,439	$ 97,950
Interest expense	$ —	$ —	$ —	$ —	$ (1,464,960)	$ (1,464,960)
Depreciation	$ 91,884	$ 17,900	$ —	$ 254,110	$ 6,269,796	$ 6,633,690
Income (loss) before taxes	$ 11,276,053	$ 10,121,160	$ 5,076,943	$ 4,154,533	$ (3,771,927)	$ 26,856,762
Total Assets	$ 66,104,336	$ 25,501,159	$ 109,502,883	$ 52,945,352	$ 121,490,878	$ 375,544,608
Capital expenditures	$ 113,515	$ 8,528	$ 780,576	$ 914,980	$ 19,821,998	$ 21,639,597

Ameresco, Inc. and Subsidiaries
Fiscal 2008 Segment Reporting

	US Federal	Central U. S. Region	Other U.S. Regions	Canada	All Other	Total
Total revenue	$ 69,325,020	$ 74,989,373	$ 78,708,984	$ 84,000,159	$ 88,830,193	$ 395,853,729
Interest income	$ 2,911	$ —	$ —	$ 186,101	$ 18,031	$ 207,043
Interest expense	$ 67	$ —	$ —	$ —	$ 5,394,521	$ 5,394,588
Depreciation	$ 103,869	$ 24,305	$ —	$ 164,731	$ 3,485,361	$ 3,778,266
Income (loss) before taxes	$ 5,016,832	$ 8,156,402	$ 12,833,182	$ 4,154,382	$ (10,672,571)	$ 19,488,227
Total Assets	$ 46,348,552	$ 8,334,915	$ 67,758,222	$ 40,847,585	$ 128,737,699	$ 292,026,973
Capital expenditures	$ 76,367	$ 24,422	$ 1,372,869	$ 160,653	$ 41,387,627	$ 43,021,938

AMERESCO, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Ameresco, Inc. and Subsidiaries
Fiscal 2007 Segment Reporting

	US Federal	Central U. S. Region	Other U.S. Regions	Canada	All Other	Total
Total revenue	$ 62,213,324	$ 65,700,900	$ 81,045,485	$ 100,211,169	$ 69,306,332	$ 378,477,210
Interest income	$ —	$ —	$ —	$ 290,038	$ 28,284	$ 319,051
Interest expense	$ 35,438	$ —	$ —	$ —	$ 3,421,680	$ 3,457,118
Depreciation	$ 98,890	$ 8,496	$ —	$ 265,933	$ 3,528,009	$ 3,901,328
Income (loss) before taxes	$ 4,231,306	$ 8,778,343	$ 7,649,433	$ 6,064,254	$ (10,464,331)	$ 16,259,005
Total Assets	$ 37,489,816	$ 10,675,350	$ 78,468,049	$ 52,914,033	$ 82,676,578	$ 262,223,826
Capital expenditures	$ 187,387	$ 7,878	$ 1,361,282	$ 242,149	$ 21,010,647	$ 22,809,343

20. 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.

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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.

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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-35. 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 of common stock will be increased to 60,000,000. 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).

AMERESCO, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — (Continued)

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	3,670,881	3,640,446
Warrants	404,951	405,117
Diluted weighted-average shares outstanding	32,957,183	36,587,847

Business Segments

The Company reports four segments: U.S. federal, central U.S. region, other U.S. regions and Canada. Each segment provides customers with energy efficiency and renewable energy solutions. The other U.S. regions segment is an aggregation of three regions: northeast U.S., southeast U.S. and southwest U.S. These regions have similar economic characteristics — in particular, expected and actual gross profit margins. In addition, they sell products and services of a similar nature, serve similar types of customers and use similar methods to distribute their products and services. Accordingly, these three regions meet the aggregation criteria set forth in ASC 280. The "all other" category includes activities, such as O&M and sales of renewable energy and certain other renewable energy products, that are managed centrally at the Company's corporate headquarters. It also includes all corporate operating expenses — salary and benefits, project development costs and general administrative and other — not specifically allocated to the segments. For the first quarters of 2009 and 2010, unallocated corporate expenses were $6,449,401 and $7,339,180, respectively. Income before taxes and unallocated corporate expenses for all other in the first quarters of 2009 and 2010 was $4,130,045 and $3,425,154, respectively. See Note 11.

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.

AMERESCO, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — (Continued)

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.

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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.

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.

AMERESCO, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — (Continued)

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)

11. BUSINESS SEGMENT INFORMATION

The Company reports four segments: U.S. federal, central U.S. region, other U.S. regions and Canada. Each segment provides customers with energy efficiency and renewable energy solutions. The other U.S. regions segment is an aggregation of three regions: northeast U.S., southeast U.S. and southwest U.S. These regions have similar economic characteristics — in particular, expected and actual gross profit margins. In addition, they sell products and services of a similar nature, serve similar types of customers and use similar methods to distribute their products and services. Accordingly, these three regions meet the aggregation criteria set forth in ASC 280. The "all other" category includes activities, such as O&M and sales of renewable energy and certain other renewable energy products, that are managed centrally at the Company's corporate headquarters. It also includes all corporate operating expenses — salary and benefits, project development costs, and general administrative and other — not specifically allocated to the segments. For the quarters ended March 31, 2009 and 2010, unallocated corporate expenses were $6,449,401 and $7,339,180, respectively. Income before taxes and unallocated corporate expenses for all other in the first quarters of 2009 and 2010 was $4,130,045 and $3,425,154, respectively. The Company does not allocate any indirect expenses to the segments. The accounting policies are the same as those described in the summary of significant accounting policies.

Ameresco, Inc. and Subsidiaries
Fiscal First Quarter 2010 Segment Reporting

	US Federal	Central U. S. Region	Other U.S. Regions	Canada	All Other	Total
Total revenue	$24,878,648	$18,606,701	$21,682,401	$18,353,817	$ 22,107,019	$105,628,586
Interest income	$ —	$ —	$ —	$ 7,191	$ 306	$ 7,497
Interest expense	$ —	$ —	$ —	$ 51	$ 863,135	$ 863,186
Depreciation	$ 20,400	$ 1,266	$ —	$ 102,185	$ 2,018,812	$ 2,142,663
Income (loss) before taxes	$ 1,982,606	$ 1,035,080	$ 2,209,480	$ 393,796	$ (3,914,026)	$ 1,706,936
Total Assets	$88,780,644	$15,619,554	$67,280,695	$52,912,776	$157,604,210	$382,197,879
Capital expenditures	$ 12,991	$ 7,638	$ 353,509	$ 982,961	$ 4,941,758	$ 6,298,857

Ameresco, Inc. and Subsidiaries
Fiscal First Quarter 2009 Segment Reporting

	US Federal	Central U. S. Region	Other U.S. Regions	Canada	All Other	Total
Total revenue	$12,008,969	$11,110,105	$17,410,661	$12,966,529	$ 19,890,817	$ 73,387,081
Interest income	$ 209	$ —	$ —	$ 15,173	$ 1,735	$ 17,117
Interest expense	$ 182	$ —	$ —	$ 1,463	$ 39,913	$ 41,558
Depreciation	$ 22,125	$ 6,564	$ —	$ 34,223	$ 1,043,689	$ 1,106,601
Income (loss) before taxes	$ 1,442,983	$ 209,779	$ 1,247,145	$ 62,385	$ (2,319,356)	$ 642,936
Total Assets	$46,523,965	$ 9,404,100	$68,612,936	$33,255,883	$133,888,583	$291,685,467
Capital expenditures	$ 8,458	$ 731	$ 110,109	$ 251,800	$ 9,493,167	$ 9,864,265

12. SUBSEQUENT EVENTS

During April and May 2010, the Company granted options to purchase 876,000 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 and May 2010, a total of 523,206 shares were issued upon the exercise of options under the 2000 Stock Incentive Plan at an average price of $0.785 per share. Total proceeds received were $410,840.

The Company has evaluated subsequent events through the date of this filing.

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.

Madison Williams and Company

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	1,300,000
Blue Sky fees and expenses	5,000
Transfer Agent’s fees and expenses	15,000
Printing and engraving expenses	130,000
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 June 15, 2010, we have granted options to purchase an aggregate of 876,000 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 June 15, 2010, we issued 523,206 shares of our Class A Common stock upon exercise of options for aggregate consideration of $410,840.

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. 4 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 18th day of June, 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. 4 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)	June 18, 2010
/s/ Andrew B. Spence Andrew B. Spence	Chief Financial Officer (Principal Financial and Accounting Officer)	June 18, 2010
* David J. Anderson	Director	June 18, 2010
/s/ David J. Corrsin David J. Corrsin	Director	June 18, 2010
* William M. Bulger	Director	June 18, 2010
* Douglas I. Foy	Director	June 18, 2010
* Michael E. Jesanis	Director	June 18, 2010
* Guy W. Nichols	Director	June 18, 2010
* Joseph W. Sutton	Director	June 18, 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 Director Stock Option Agreement granted under Ameresco, Inc. 2010 Stock Incentive Plan
10.13	Form of Executive Employment Agreement
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 non-employee 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.
10.18	Form of Indemnification Agreement entered into between the Registrant and each employee director
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
24.3	Power of Attorney of Douglas I. Foy

* Previously filed

\+ Confidential treatment requested as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 1.1

AMERESCO, INC.

(a Delaware corporation)

● Shares of Class A Common Stock

PURCHASE AGREEMENT

Dated: ●, 2010

AMERESCO, INC.

(a Delaware corporation)

● Shares of Class A Common Stock

PURCHASE AGREEMENT

●, 2010

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

as Representative of the several Underwriters
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

Ameresco, Inc., a Delaware corporation (the "Company"), and the persons listed in Schedule B hereto (the "Selling Shareholders"), confirm their respective agreements with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch is acting as representative (in such capacity, the "Representative"), with respect to (i) the sale by the Company and the Selling Shareholder(s), acting severally and not jointly, and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares of Class A Common Stock, par value $0.0001 per share, of the Company ("Class A Common Stock") set forth in Schedules A and B hereto and (ii) the grant by the Company and certain Selling Shareholder(s) to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of ● additional shares of Class A Common Stock to cover overallotments, if any. The aforesaid ● shares of Class A Common Stock (the "Initial Securities") to be purchased by the Underwriters and all or any part of the ● shares of Class A Common Stock subject to the option described in Section 2(b) hereof (the "Option Securities") are herein called, collectively, the "Securities."

The Company and the Selling Shareholder(s) understand that the Underwriters propose to make a public offering of the Securities as soon as the Representative deems advisable after this Agreement has been executed and delivered.

The Company, the Selling Shareholder(s) and the Underwriters agree that up to ● shares of the Initial Securities to be purchased by the Underwriters (the "Reserved Securities") shall be reserved for sale by the Underwriters to certain persons designated by the Company (the "Invitees"), as part of the distribution of the Securities by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. ("FINRA") and all other applicable laws, rules and regulations. The Company solely determined, without any direct or indirect participation by the Underwriters, the Invitees who were given the opportunity to purchase

Reserved Securities (including the amount to be offered to such persons) sold by the Underwriters. To the extent that such Reserved Securities are not orally confirmed for purchase by Invitees by 9:00 A.M. (New York City time) on the first business day after the date of this Agreement, such Reserved Securities may be offered to the public as part of the public offering contemplated hereby.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-165821), including the related preliminary prospectus or prospectuses, covering the registration of the sale of the Securities under the Securities Act of 1933, as amended (the "1933 Act"). Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations. The information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective pursuant to Rule 430A(b) is herein called the "Rule 430A Information." Such registration statement, including the amendments thereto, the exhibits thereto and any schedules thereto, at the time it became effective, and including the Rule 430A Information, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein called the "Rule 462(b) Registration Statement" and, after such filing, the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." The final prospectus, in the form first furnished to the Underwriters for use in connection with the offering of the Securities, is herein called the "Prospectus." For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR") or its Interactive Data Electronic Applications system ("IDEA").

As used in this Agreement:

"Applicable Time" means 7:00 A.M., New York City time, on ● or such other time as agreed by the Company and Merrill Lynch.

"General Disclosure Package" means any Issuer General Use Free Writing Prospectuses issued at or prior to the Applicable Time, the prospectus that is included in the Registration Statement as of the Applicable Time and the information included on Schedule C-1 hereto, all considered together.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the 1933 Act Regulations ("Rule 433"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the 1933 Act Regulations ("Rule 405")) prepared by or on behalf of the Company or used or referred to by the Company relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433 (the "Bona Fide Electronic Road Show")), as evidenced by its being specified in Schedule C-2 hereto.

"Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

SECTION 1. Representations and Warranties.

(a) *Representations and Warranties by the Company*. The Company represents and warrants to each Underwriter as of the date hereof, the Applicable Time, the Closing Time (as defined below) and any Date of Delivery (as defined below), and agrees with each Underwriter, as follows:

(i) Registration Statement and Prospectuses. Each of the Registration Statement and any post-effective amendment thereto has become effective under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated. The Company has complied with each request (if any) from the Commission for additional information.

Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus (including the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment or supplement thereto), at the time it was filed, and the Prospectus complied in all material respects with the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR or IDEA, except to the extent permitted by Regulation S-T.

(ii) Accurate Disclosure. Neither the Registration Statement nor any post-effective amendment thereto, at its effective time, at the Closing Time or at any Date of Delivery, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. At the Applicable Time, neither (A) the General Disclosure Package nor (B) any individual Issuer Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Date or at any Date of Delivery, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement (or any amendment thereto), the General Disclosure

Package or the Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Merrill Lynch expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the information in the first paragraph under the heading "Underwriting-Commissions and Discounts," the information in the second, third and fourth paragraphs under the heading "Underwriting-Price Stabilization, Short Positions and Penalty Bids" in the Prospectus and the information under the heading "Underwriting-Electronic Offer, Sale and Distribution of Shares" (collectively, the "Underwriter Information").

(iii) Issuer Free Writing Prospectuses. No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, or conflicts or will conflict with any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) such that no filing of any "road show" (as defined in Rule 433(h)) is required in connection with the offering of the Securities.

(iv) Company Not Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

(v) Independent Accountants. The accountants who certified the financial statements and supporting schedules included in the Registration Statement are independent public accountants as required by the 1933 Act, the 1933 Act Regulations and the Public Accounting Oversight Board.

(vi) Financial Statements; Non-GAAP Financial Measures . The financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement, the General Disclosure Package or the Prospectus under the 1933 Act or the 1933 Act Regulations. All disclosures contained in the Registration Statement, the General Disclosure Package or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended (the "1934 Act") and Item 10 of Regulation S-K of the 1933 Act, to the extent applicable.

(vii) No Material Adverse Change in Business. Except as otherwise stated therein, since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(viii) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the General Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(ix) Good Standing of Subsidiaries. Each "significant subsidiary" of the Company (as such term is defined in Rule 1-02 of Regulation S-X) (each, a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing in good standing under the laws of the jurisdiction of its incorporation or organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the General Disclosure Package and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing would not result in a Material Adverse Effect. Except as otherwise disclosed in the General Disclosure Package and the Prospectus, all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. None of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of the Company are (A) the subsidiaries listed on Exhibit 21.1 to the Registration Statement and (B) certain other subsidiaries which, considered in the aggregate as a single subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X.

(x) Capitalization. The authorized, issued and outstanding shares of capital stock of the Company are as set forth in the General Disclosure Package and the Prospectus in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the General Disclosure Package and the Prospectus or pursuant to the exercise of convertible securities or options referred to in the General Disclosure Package and the Prospectus). The outstanding shares of capital stock of the Company, including the Securities to be purchased by the Underwriters from the Selling Shareholder(s), have been duly authorized and validly issued and are fully paid and non-assessable. None of the outstanding shares of capital stock of the Company, including the Securities to be purchased by the Underwriters from the

Selling Shareholder(s), was issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(xi) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(xii) Authorization and Description of Securities. The Securities to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement against payment of the consideration set forth herein, will be validly issued and fully paid and non-assessable; and the issuance of such Securities is not subject to the preemptive or other similar rights of any securityholder of the Company. The Class A Common Stock and the Company's Class B Common Stock, par value $0.0001 (the "Class B Common Stock" and together with the Class A Common Stock, the "Common Stock") conforms in all material respects to all statements relating thereto contained in the General Disclosure Package and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same. No holder of Securities will be subject to personal liability by reason of being such a holder.

(xiii) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale by the Company under the 1933 Act, other than those rights that have been disclosed in the General Disclosure Package and the Prospectus and have been waived.

(xiv) Absence of Violations, Defaults and Conflicts. Neither the Company nor any of its subsidiaries is (A) in violation of its charter, by-laws or similar organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the properties or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments"), except for such defaults that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations (each, a "Governmental Entity"), except for such violations that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All contracts and subcontracts from which the Company and its subsidiaries derive revenue in connection with the business conducted by them as described in the General Disclosure Package and the Prospectus are valid and binding obligations of the Company and/or one or more of its subsidiaries, as the case may be, except for such contracts which, if not so valid and binding, would not singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the General Disclosure Package and the Prospectus (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described therein under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or any subsidiary pursuant to, the

Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter, by-laws or similar organizational document of the Company or any of its subsidiaries or any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(xv) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any subsidiary's principal suppliers, manufacturers, customers or contractors, which, in either case, would result in a Material Adverse Effect.

(xvi) Absence of Proceedings. Except as disclosed in the General Disclosure Package and the Prospectus, there is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which would reasonably be expected to result in a Material Adverse Effect, or which would reasonably be expected to materially and adversely affect their respective properties or assets, taken as a whole, or the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings to which the Company or any such subsidiary is a party or of which any of their respective properties or assets is the subject which are not described in the General Disclosure Package and the Prospectus, including ordinary routine litigation incidental to the business, would not reasonably be expected to result in a Material Adverse Effect.

(xvii) Accuracy of Exhibits. There are no contracts or documents which are required to be described in the Registration Statement or to be filed as exhibits thereto which have not been so described and filed as required.

(xviii) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale by the Company of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the New York Stock Exchange, state securities laws or the rules of FINRA and (B) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities were offered.

(xix) Possession of Licenses and Permits. The Company and its subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate Governmental Entities necessary to conduct the business now operated by them, except where the failure so to possess would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Company and its subsidiaries are in compliance with the terms and conditions of all Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Effect.

(xx) Title to Property. The Company and its subsidiaries have good and marketable title to all real property owned by them and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the General Disclosure Package and the Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property, taken as a whole, and do not interfere with the use made and proposed to be made of such property, taken as a whole, by the Company or any of its subsidiaries, and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the General Disclosure Package and the Prospectus, are in full force and effect, and neither the Company nor any such subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xxi) Possession of Intellectual Property. The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

(xxii) Environmental Laws. Except as described in the General Disclosure Package and the Prospectus or would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xxiii) Accounting Controls. The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the General Disclosure Package and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially adversely affected, or is reasonably likely to materially adversely affect, the Company's internal control over financial reporting.

(xxiv) Payment of Taxes. All United States federal income tax returns of the Company and its subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided. The United States federal income tax returns of the Company through the fiscal year ended December 31, 20● have been settled and no assessment in connection therewith has been made against the Company. The Company and its subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, state, local or other law except insofar as the failure to file such returns would not reasonably be expected to result in a Material Adverse Effect, and has paid all taxes due pursuant to such returns, pursuant to any assessment received by the Company and its subsidiaries or otherwise, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been established by the Company. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not reasonably be expected to result in a Material Adverse Effect.

(xxv) Insurance. The Company and its subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and assets, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect. Neither of the Company nor any of its subsidiaries has been denied any material insurance coverage which it has sought or for which it has applied.

(xxvi) Investment Company Act. The Company is not required, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the General Disclosure Package and the Prospectus will not be required, to register as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

(xxvii) Absence of Manipulation. Neither the Company nor any of its subsidiaries, nor to the knowledge of the Company, any affiliate of the Company, has taken, nor will the Company or any of its subsidiaries, or to the knowledge of the Company, any affiliate, take, directly or indirectly, any action which is designed, or would be expected, to cause or result in, or which has constitutes, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(xxviii) Foreign Corrupt Practices Act. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(xxix) Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(xxx) OFAC. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any of its subsidiaries, joint venture partners or other person, for the purpose of financing the activities of any person appearing on OFAC's list of Specially Designated Nationals and Blocked Persons (or otherwise published by OFAC) or subject to sanctions administered by OFAC due to citizenship or presence in a sanctioned country.

(xxxi) Lending Relationship. Except as disclosed in the General Disclosure Package and the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of any Underwriter and (ii) does not intend to use any of the proceeds from the sale of the Securities to repay any outstanding debt owed to any affiliate of any Underwriter.

(xxxii) Statistical and Market-Related Data. Any statistical and market-related data included in the General Disclosure Package or the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(xxxiii) Backlog; Awarded Contracts. The Company has calculated backlog and awarded contracts as described in General Disclosure Package and the Prospectus in compliance with the requirements of Item 101 of Regulation S-K under the Securities Act. Except as described in the General Disclosure Package and the Prospectus, the Company is not aware of any notice of any material program cancellation or change in program schedule, material contract reduction, material modification or early termination, or any other similar facts or circumstances that would, singly or in the aggregate, result in a Material Adverse Effect.

(xxxiv) Sales of Reserved Securities. In connection with any offer and sale of Reserved Securities outside the United States, each preliminary prospectus, the Prospectus, any prospectus wrapper and any amendment or supplement thereto, at the time it was filed, complied and will comply in all material respects with any applicable laws or regulations of foreign jurisdictions. The Company has not offered, or caused the Representative to offer, Reserved Securities to any person with the specific intent to unlawfully influence (i) a customer or supplier of the Company or any of its affiliates to alter the customer's or supplier's level or type of business with any such entity or (ii) a trade journalist or publication to write or publish favorable information about the Company or any of its affiliates, or their respective businesses or products.

(b) *Representations and Warranties by the Selling Shareholder(s)*. Each Selling Shareholder severally represents and warrants to each Underwriter as of the date hereof, as of the Applicable Time, as of the Closing Time and, if the Selling Shareholder is selling Option Securities on a Date of Delivery, as of each such Date of Delivery, and agrees with each Underwriter, as follows:

(i) Accurate Disclosure. Neither the General Disclosure Package nor the Prospectus or any amendments or supplements thereto includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this sentence applies only to statements or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such Selling Shareholder to the Company or the Representative expressly for use in the General Disclosure Package or the Prospectus or any amendments or supplements thereto (the "Selling Shareholder Information"). Such Selling Shareholder is not prompted to sell the Securities to be sold by such Selling Shareholder hereunder by any information concerning the Company or any subsidiary of the Company which is not set forth in the General Disclosure Package or the Prospectus.

(ii) Authorization of this Agreement. This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(iii) Authorization of Power of Attorney and Custody Agreement. The Power of Attorney and Custody Agreement, in the form heretofore furnished to the Representative (the "Power of Attorney and Custody Agreement"), has been duly authorized, executed and delivered by such Selling Shareholder and is the valid and binding agreement of such Selling Shareholder.

(iv) Noncontravention. The execution and delivery of this Agreement and the Power of Attorney and Custody Agreement and the sale and delivery of the Securities to be sold by such Selling Shareholder and the consummation of the transactions contemplated herein and compliance by such Selling Shareholder with its obligations hereunder do not and will not, whether with or without the giving of notice or passage of time or both, (A) conflict with or constitute a breach of, or default under, or result in the creation or imposition of any tax, lien, charge or encumbrance upon the Securities to be sold by such Selling Shareholder or any property or assets of such Selling Shareholder pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, license, lease or other agreement or instrument to which such Selling Shareholder is a party or by which such Selling Shareholder may be bound, or to which any of the property or assets of such Selling Shareholder is subject, or (B) result in any violation of the provisions of the (1) charter or by-laws or other organizational instrument of such Selling Shareholder, if applicable, (2) or any applicable treaty, law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over such Selling Shareholder or any of its properties except, in the cases of clauses (A) and (B)(2), for such conflicts, breaches, violations or defaults as would not, singly or in the aggregate, adversely affect the ability of the Underwriters to consummate the transactions contemplated by this Agreement or by the Power of Attorney and Custody Agreement or the ability of such Selling Shareholder to execute and deliver this Agreement and the Power of Attorney and Custody Agreement or to perform its obligations under this Agreement or under the Power of Attorney and Custody Agreement.

(v) Valid Title. (A) Except to the extent the Selling Shareholder is exercising stock options or Warrants (each, an "Option") in connection with the Securities to be sold by such Selling Shareholder hereunder, the Selling Shareholder has valid title to the Securities to be sold by such Selling Shareholder (B) to the extent the Selling Shareholder is exercising Options in connection with the Securities to be sold by such Selling Shareholder, the Selling Shareholder has valid title to such Options, in each case, free and clear of all security interests, claims, liens, equities or other encumbrances. At the Closing Time (and, if such Selling Shareholder is selling Option Securities on a Date of Delivery, at each such Date of Delivery) such Selling Shareholder will have, valid title to the Securities to be sold by such Selling Shareholder free and clear of all security interests, claims, liens, equities or other encumbrances.

(vi) Delivery of Securities. The Securities to be sold by such Selling Shareholder pursuant to this Agreement are certificated securities in registered form and are not held in any securities account or by or through any securities intermediary within the meaning of the Uniform Commercial Code as in effect in the State of New York (the "UCC"). Certificates for all of the Securities to be sold by such Selling Shareholder pursuant to this Agreement, in suitable form for transfer by delivery and accompanied by duly executed instruments of transfer or assignment in blank with signatures guaranteed, have been placed in custody with ● (the "Custodian") with irrevocable conditional instructions to deliver such Securities to or as instructed by the Underwriters pursuant to this Agreement. Upon payment of the purchase price for the Securities to be sold by such Selling Shareholder pursuant to this Agreement, delivery of such Securities, as directed by the Underwriters, to Cede & Co. ("Cede") or such other nominee as may be designated by The Depository Trust Company ("DTC") (unless delivery of such Securities is unnecessary because such Securities are already in possession of Cede or such nominee), registration of such Securities in the name of Cede or such other nominee (unless registration of such Securities is unnecessary because such Securities are already registered in the name of Cede or such nominee), and the crediting of such Securities on the books of DTC to securities accounts (within the meaning of Section 8-501(a) of the Uniform Commercial Code then in effect in the State of New York ("UCC")) of the Underwriters (assuming that neither DTC nor any such

Underwriter has notice of any “adverse claim,” within the meaning of Section 8-105 of the UCC, to such Securities), (A) under Section 8-501 of the UCC, the Underwriters will acquire a “security entitlement” in respect of such Securities and (B) no action (whether framed in conversion, replevin, constructive trust, equitable lien, or other theory) based on any “adverse claim,” within the meaning of Section 8-102 of the UCC, to such Securities may be asserted against the Underwriters with respect to such security entitlement; for purposes of this representation, such Selling Shareholder may assume that when such payment, delivery (if necessary) and crediting occur, (I) such Securities will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company’s share registry in accordance with its certificate of incorporation, bylaws and applicable law, (II) DTC will be registered as a “clearing corporation,” within the meaning of Section 8-102 of the UCC, (III) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC, (IV) to the extent DTC, or any other securities intermediary which acts as “clearing corporation” with respect to the Securities, maintains any “financial asset” (as defined in Section 8-102(a)(9) of the UCC) in a clearing corporation pursuant to Section 8-111 of the UCC, the rules of such clearing corporation may affect the rights of DTC or such securities intermediaries and the ownership interest of the Underwriters, (V) claims of creditors of DTC or any other securities intermediary or clearing corporation may be given priority to the extent set forth in Section 8-511(b) and 8-511(c) of the UCC and (VI) if at any time DTC or other securities intermediary does not have sufficient Securities to satisfy claims of all of its entitlement holders with respect thereto then all holders will share pro rata in the Securities then held by DTC or such securities intermediary.

(vii) Absence of Manipulation. Such Selling Shareholder has not taken, and will not take, directly or indirectly, any action which is designed to or which has constituted or would be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(viii) Absence of Further Requirements. No filing with, or consent, approval, authorization, order, registration, qualification or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency, domestic or foreign, is necessary or required for the performance by each Selling Shareholder of its obligations hereunder or in the Power of Attorney and Custody Agreement, or in connection with the sale and delivery of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the New York Stock Exchange, state securities laws or the rules of FINRA and (B) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities were offered.

(ix) No Registration or Other Similar Rights. Such Selling Shareholder does not have any registration or other similar rights (other than those that have been validly satisfied or waived) to have any equity or debt securities registered for sale by the Company under the Registration Statement or included in the offering contemplated by this Agreement.

(x) No Free Writing Prospectuses. Such Selling Shareholder has not prepared or had prepared on its behalf or used or referred to, any “free writing prospectus” (as defined in Rule 405), and has not distributed any written materials in connection with the offer or sale of the Securities.

(xi) No Association with FINRA. Other than as disclosed in the FINRA Questionnaire for Directors, Officers and Certain Equityholders provided by such Selling Shareholder to counsel for the Underwriters (the "FINRA Questionnaire"), neither such Selling Shareholder nor any of its affiliates directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with any member firm of FINRA or is a person associated with a member (within the meaning of the FINRA By-Laws) of FINRA.

(xii) Sales of Reserved Securities. Such Selling Shareholder has not offered, or caused the Representative to offer, Reserved Securities to any person with the specific intent to unlawfully influence (i) a customer or supplier of the Company or any of its affiliates to alter the customer's or supplier's level or type of business with any such entity or (ii) a trade journalist or publication to write or publish favorable information about the Company or any of its affiliates, or their respective businesses or products.

(c) *Officer's Certificates*. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Representative or to counsel for the Underwriters pursuant to the terms of this Agreement or in connection with the transactions contemplated hereby shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby; and any certificate signed by or on behalf of the Selling Shareholder(s) as such and delivered to the Representative or to counsel for the Underwriters pursuant to the terms of this Agreement shall be deemed a representation and warranty by such Selling Shareholder to the Underwriters as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriters; Closing.

(a) *Initial Securities.* On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and each Selling Shareholder, severally and not jointly, agree to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company and each Selling Shareholder, at the price per share set forth in Schedule A, that proportion of the number of Initial Securities set forth in Schedule B opposite the name of the Company or such Selling Shareholder, as the case may be, which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, bears to the total number of Initial Securities, subject, in each case, to such adjustments among the Underwriters as Merrill Lynch in its sole discretion shall make to eliminate any sales or purchases of fractional shares.

(b) *Option Securities.* In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and the Selling Shareholder(s), acting severally and not jointly, hereby grant(s) an option to the Underwriters, severally and not jointly, to purchase up to an additional ● shares of Class A Common Stock, as set forth in Schedule B, at the price per share set forth in Schedule A, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering overallotments made in connection with the offering and distribution of the Initial Securities upon notice by the Representative to the Company and the Selling Shareholder(s) setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representative, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, and with respect to any exercise of such option after the

Closing Time, shall not be earlier than two full business days after the exercise of said option. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, bears to the total number of Initial Securities, subject, in each case, to such adjustments as Merrill Lynch in its sole discretion shall make to eliminate any sales or purchases of fractional shares. If the option is exercised as to a portion of the Option Securities, the Option Securities shall be purchased first from the Company then, on a pro rata basis, from the Selling Shareholders selling Option Securities hereunder.

(c) *Payment*. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts, or at such other place as shall be agreed upon by the Representative and the Company and the Selling Shareholder(s), at 9:00 A.M. (New York City time) on the third (fourth, if the pricing occurs after 4:30 P.M. (New York City time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representative and the Company and the Selling Shareholder(s) (such time and date of payment and delivery being herein called “Closing Time”).

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representative and the Company and the Selling Shareholder(s), on each Date of Delivery as specified in the notice from the Representative to the Company and the Selling Shareholder(s).

Payment shall be made to the Company and the Selling Shareholder(s) by wire transfer of immediately available funds to bank account(s) designated by the Company and the Custodian pursuant to each Selling Shareholder’s Power of Attorney and Custody Agreement, as the case may be, against delivery to the Representative for the respective accounts of the Underwriters of certificates for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

(d) *Denominations; Registration.* Certificates for the Initial Securities and the Option Securities, if any, shall be in such denominations and registered in such names as the Representative may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Representative in The City of New York not later than 10:00 A.M. (New York City time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

(e) *Appointment of Qualified Independent Underwriter.* The Company and the Selling Shareholder(s) hereby confirm their engagement of Oppenheimer & Co. Inc. as, and Oppenheimer & Co. Inc. hereby confirms its agreement with the Company and the Selling Shareholder(s) to render the services of a “qualified independent underwriter” within the meaning of NASD Conduct Rule 2720 adopted by FINRA (“Rule 2720”) that are required by Rule 2720 with respect to the offering and sale of the Securities. Oppenheimer & Co. Inc., solely in its capacity as qualified independent underwriter and not otherwise, is referred to herein as the “QIU.”

SECTION 3. Covenants of the Company and the Selling Shareholders. Each of the Company, and solely with respect to subsection 3(k) hereof each Selling Shareholder, severally and not jointly, covenants with each Underwriter as follows:

(a) *Compliance with Securities Regulations and Commission Requests*. The Company, subject to Section 3(b), will comply with the requirements of Rule 430A, and will notify the Representative immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will effect all filings required under Rule 424(b), in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) *Continued Compliance with Securities Laws*. The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the General Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172 of the 1933 Act Regulations (“Rule 172”), would be) required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) amend or supplement the General Disclosure Package or the Prospectus in order that the General Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the General Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly (A) give the Representative notice of such event, (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the General Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representative with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representative or counsel for the Underwriters shall reasonably object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request. The Company has given the Representative notice of any filings made pursuant to the 1934 Act or the rules and regulations of the Commission under the 1934 Act (the "1934 Act Regulations") within 48 hours prior to the Applicable Time; the Company will give the Representative notice of its intention to make any such filing from the Applicable Time to the Closing Time and will furnish the Representative with copies of any such documents a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Representative or counsel for the Underwriters shall reasonably object.

(c) *Delivery of Registration Statements.* The Company has furnished or will deliver to the Representative and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also deliver to the Representative, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) *Delivery of Prospectuses.* The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) *Blue Sky Qualifications*. The Company will use its reasonable best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representative may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) *Rule 158*. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide to the Underwriters the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(g) *Use of Proceeds*. The Company intends to use the net proceeds received by it from the sale of the Securities in the manner specified in the General Disclosure Package and the Prospectus under "Use of Proceeds."

(h) *Listing*. The Company will use its reasonable best efforts to effect and maintain the listing of the Class A Common Stock (including the Securities) on the New York Stock Exchange.

(i) *Restriction on Sale of Securities*. During a period of 180 days from the date of the Prospectus, the Company will not, without the prior written consent of Merrill Lynch, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder, (B) any shares of Common Stock issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the General Disclosure Package and the Prospectus, (C) any shares of Class A Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company referred to in the General Disclosure Package and the Prospectus, (D) any shares of Class A Common Stock issued pursuant to any non-employee director stock plan or dividend reinvestment plan referred to in the General Disclosure Package and the Prospectus, (E) any shares of Class A Common Stock issued upon conversion of Class B Common Stock, (F) shares of Class A Common Stock issued by the Company in connection with the acquisition of companies, businesses or assets, provided such shares of Class A Common Stock are subject to restrictions on transfer substantially in the form set forth in Exhibit A hereto, up to an aggregate under this clause not to exceed 5% of the number of shares of Common Stock outstanding immediately following the Closing Time or (G) the filing by the Company of a registration statement on Form S-8 covering existing employee benefit plans of the Company referred to in the General Disclosure Package and the Prospectus, provided that any shares of Common Stock issued by the Company pursuant thereto prior to the expiration of the restricted period set forth in this clause (i) are subject to restrictions on transfer substantially in the form set forth in Exhibit A hereto. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will issue an earnings release or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 180-day restricted period, the restrictions imposed in this clause (i) 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. The Company will not issue any additional shares of Class B Common Stock, except pursuant to stock splits, stock dividends, subdivisions, combinations, recapitalizations or similar transactions, in each case, that are effected on a basis identical to any stock split, stock dividend, subdivision, combination, recapitalization or similar transaction applicable to the Class A Stock.

(j) *Reporting Requirements*. The Company, during the period when a Prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and 1934 Act Regulations. Additionally, the Company shall report the use of proceeds from the issuance of the Shares as may be required under Rule 463 under the 1933 Act.

(k) *Issuer Free Writing Prospectuses*. Each of the Company and each Selling Shareholder agrees that, unless it obtains the prior written consent of the Representative and, in the case of such action by a Selling Shareholder, the prior written consent of the Company, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representative will be deemed to have consented to the Issuer Free Writing Prospectuses listed on Schedule C-2 hereto and any "road show that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representative. Each of the Company and each Selling Shareholder represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Representative as an "issuer free writing prospectus," as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(l) *Compliance with FINRA Rules*. The Company hereby agrees that it will ensure that the Reserved Securities will be restricted as required by FINRA or the FINRA rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of this Agreement. The Underwriters will notify the Company as to which persons will need to be so restricted. At the request of the Underwriters, the Company will direct the transfer agent to place a stop transfer restriction upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Reserved Securities, the Company agrees to reimburse the Underwriters for any reasonable expenses (including, without limitation, legal expenses) they incur in connection with such release.

SECTION 4. Payment of Expenses.

(a) *Expenses*. The Company will pay or cause to be paid all expenses incident to the performance of the obligations of the Company and, to the extent not paid pursuant to Section 4(b), of the Selling Shareholders, under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and each amendment thereto, (ii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iii) the fees and disbursements of the Company's counsel, accountants and other advisors, (iv) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(e) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (v) the preparation, printing and delivery to the Underwriters of copies of each preliminary prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto and any costs associated with electronic delivery of any of the foregoing by the Underwriters to investors, (vi) the fees and expenses of any transfer agent or registrar for the Securities, (vii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged by the Company in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company (but not including representatives of the Underwriters) and any such consultants, and one-half of the cost of aircraft and other transportation chartered in connection with the road show, (viii) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by FINRA of the terms of the sale of the Securities, (ix) the fees and expenses incurred in connection with the listing of the Securities on the New York Stock Exchange, (x) the costs and expenses (including, without limitation, any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Securities made by the Underwriters caused by a breach of the representation contained in the third sentence of Section 1(a)(ii), (xi) the preparation, printing and distribution of one or more versions of the preliminary prospectus and the Prospectus for distribution in Canada, often in the form of a Canadian "wrapper" (including related reasonable fees and expenses of Canadian counsel to the Underwriters), (xii) all reasonable costs and expenses of the Underwriters, including the fees and disbursements of counsel for the Underwriters, in connection with matters related to the Reserved Securities which are designated by the Company for sale to Invitees, and (xiii) the fees and expenses of one counsel for the Selling Shareholders.

(b) *Expenses of the Selling Shareholder(s)*. The Selling Shareholder(s), severally and not jointly, will pay all expenses incident to the performance of their respective obligations under, and the consummation of the transactions contemplated by, this Agreement, including (i) any stamp and other duties and stock and other transfer taxes, if any, payable upon the sale of the Securities to the Underwriters and their transfer between the Underwriters pursuant to an agreement between such Underwriters, and (ii) the fees and disbursements of their respective counsel and other advisors.

(c) *Termination of Agreement.* If this Agreement is terminated by the Representative in accordance with the provisions of Section 5, Section 9(a)(i) or (iii), Section 10 (except as set forth in the next sentence) or Section 11 hereof, the Company and the Selling Shareholder(s) shall reimburse the Underwriters for all of their documented out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters. In the case of termination by the Representatives in accordance with the provisions of Section 10, the Company shall have no obligation to reimburse (a) the Underwriters if Merrill Lynch is a Defaulting Underwriter or (b) if any other Underwriter is a Defaulting Underwriter, such Defaulting Underwriter, in each case, pursuant to Section 4(c).

(d) *Allocation of Expenses*. The provisions of this Section shall not affect any agreement that the Company and the Selling Shareholder(s) may make for the sharing of such costs and expenses.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Shareholder(s) contained herein or in certificates of any officer of the Company or any of its subsidiaries or on behalf of any Selling Shareholder delivered pursuant to the provisions hereof, to the performance by the Company and each Selling Shareholder of their respective covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement; Rule 430A Information.* The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated; and the Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A. In the case of termination by the Representatives in accordance with the provisions of Section 10, the Company shall have no obligation to reimburse a Defaulting Underwriter pursuant to this Section 4(c).

(b) *Opinion of Counsel for Company.* At the Closing Time, the Representative shall have received the favorable opinion, dated the Closing Time, of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters.

(c) *Opinion of Counsel for the Selling Shareholder(s)*. At the Closing Time, the Representative shall have received the favorable opinion, dated the Closing Time, of counsel for the Selling Shareholder(s), in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters.

(d) *Opinion of Counsel for Underwriters*. At Closing Time, the Representative shall have received the favorable opinion, dated the Closing Time, of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters with respect to such matters as the Representative may reasonably require. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York, the General Corporation Law of the State of Delaware and the federal securities laws of the United States, upon the opinions of counsel satisfactory to the Representative. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers and other representatives of the Company and its subsidiaries and certificates of public officials.

(e) *Officers' Certificate*. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Representative shall have received a certificate of the Chief Executive Officer or the President of the Company and of the chief financial or chief accounting officer of the Company, on behalf of the Company, dated the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to their knowledge, contemplated.

(f) *Certificate of Selling Shareholder(s)*. At the Closing Time, the Representative shall have received a certificate of an Attorney-in-Fact on behalf of each Selling Shareholder, dated the Closing Time, to the effect that (i) the representations and warranties of each Selling Shareholder in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time and (ii) each Selling Shareholder has complied with all agreements and all conditions on its part to be performed under this Agreement at or prior to the Closing Time.

(g) *Accountant's Comfort Letter*. At the time of the execution of this Agreement, the Representative shall have received from Caturano and Company, P.C. a letter, dated such date, in form and substance satisfactory to the Representative, together with signed or reproduced copies of such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(h) *Bring-down Comfort Letter*. At the Closing Time, the Representative shall have received from Caturano and Company a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (g) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(i) *Approval of Listing*. At the Closing Time, the Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(j) *No Objection*. FINRA has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements relating to the offering of the Securities.

(k) *Lock-up Agreements*. At the date of this Agreement, the Representative shall have received an agreement substantially in the form of Exhibit A hereto (the "Lock-Up Agreements") signed by the persons listed on Schedule D hereto.

(l) *Conditions to Purchase of Option Securities*. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company and the Selling Shareholder(s) contained herein and the statements in any certificates furnished by the Company, any of its subsidiaries and the Selling Shareholder(s) hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representative shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming on behalf of the Company that the certificate delivered at the Closing Time pursuant to Section 5(e) hereof remains true and correct as of such Date of Delivery.

(ii) Certificate of Selling Shareholder(s). A certificate, dated such Date of Delivery, of an Attorney-in-Fact on behalf of each Selling Shareholder confirming that the certificate delivered at Closing Time pursuant to Section 5(f) remains true and correct as of such Date of Delivery.

(iii) Opinion of Counsel for Company. If requested by the Representative, the favorable opinion of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iv) Opinion of Counsel for the Selling Shareholder(s). If requested by the Representative, the favorable opinion of counsel for the Selling Shareholder(s), in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(v) Opinion of Counsel for Underwriters. If requested by the Representative, the favorable opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(d) hereof.

(vi) Bring-down Comfort Letter. If requested by the Representative, a letter from Caturano and Company, P.C., in form and substance satisfactory to the Representative and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representative pursuant to Section 5(g) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three business days prior to such Date of Delivery.

(m) *Additional Documents*. At the Closing Time and at each Date of Delivery (if any) counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and the Selling Shareholder(s) in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representative and counsel for the Underwriters.

(n) *Termination of Agreement.* If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representative by notice to the Company and the Selling Shareholder(s) at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8, 15 and 16 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) *Indemnification of Underwriters*. The Company agrees to indemnify and hold harmless each Underwriter, its affiliates (as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate")), its selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed pursuant to Rule 433(d), any "road show" (as defined in Rule 433) not constituting an Issuer Free Writing Prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of the Company;

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package, any preliminary prospectus, any Issuer Free Writing Prospectus, any "road show" (as defined in Rule 433) not constituting an Issuer Free Writing Prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) *Indemnification of Underwriters by Selling Shareholder(s)*. Each Selling Shareholder, severally and not jointly, agrees to indemnify and hold harmless each Underwriter, its Affiliates and selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act to the extent and in the manner set forth in clauses (a)(i), (ii) and (iii) above and in Section 6(f) and Section 6(g); provided that each Selling Shareholder shall be liable hereunder only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission has been made in reliance upon and in conformity with the Selling Shareholder Information; and provided further that the liability under this subsection of each Selling Shareholder shall be limited to an amount equal to the aggregate gross proceeds, after deducting underwriting discounts and commissions but before deducting expenses, received by such Selling Shareholder from the sale of Securities sold by such Selling Shareholder hereunder. The Underwriters acknowledge and agree that the information provided by or on behalf of the Selling Shareholders in the "Questionnaire for Selling Shareholders In Connection with Public Offering," the FINRA Questionnaire, the Lock-Up Agreement, the Custody Agreement and the Power of Attorney furnished by the Selling Shareholders to the Company is the only Selling Shareholder Information.

(c) *Indemnification of Company, Directors and Officers and Selling Shareholder(s)*. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each Selling Shareholder and each person, if any, who controls any Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package, any preliminary prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed pursuant to Rule 433(d), any "road show" (as defined in Rule 433) not constituting an Issuer Free Writing Prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(d) *Actions against Parties; Notification*. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to

Section 6(a) and 6(b) above, counsel to the indemnified parties shall be selected by Merrill Lynch and, in the case of parties indemnified pursuant to Section 6(c) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances; provided, that, if indemnity is sought pursuant to Section 6(f), then, in addition to the fees and expenses of such counsel for the indemnified parties, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one counsel (in addition to any local counsel) separate from its own counsel and that of the other indemnified parties for the QIU in its capacity as a “qualified independent underwriter” and all persons, if any, who control the QIU within the meaning of Section 15 of the 1933 Act or Section 20 of 1934 Act in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances if, in the reasonable judgment of the QIU, there may exist a conflict of interest between the QIU and the other indemnified parties. Any such separate counsel for the QIU and such control persons of the QIU shall be designated in writing by the QIU. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(e) *Settlement without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) or settlement of any claim in connection with any violation referred to in Section 6(g) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with the terms of this Agreement and such request prior to the date of such settlement.

(f) *Indemnification of QIU.* In addition to and without limitation of the Company’s and each Selling Shareholder’s obligation to indemnify Oppenheimer & Co. Inc., as an Underwriter, each of the Company and, subject to the provisos in Section 6(b), each Selling Shareholder also, severally and not jointly, agrees to indemnify and hold harmless the QIU, its Affiliates and selling agents and each person, if any, who controls the QIU within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, from and against any and all loss, liability, claim, damage and expense whatsoever, as incurred, incurred as a result of the QIU’s participation as a “qualified independent underwriter” within the meaning of Rule 2720 in connection with the offering of the Securities.

(g) *Indemnification for Reserved Securities*. In connection with the offer and sale of the Reserved Securities, the Company agrees to indemnify and hold harmless the Underwriters, their Affiliates and selling agents and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, from and against any and all loss, liability, claim, damage and expense (including, without limitation, any legal or other expenses reasonably incurred in connection with defending, investigating or settling any such action or claim), as incurred, (i) arising out of the violation of any applicable laws or regulations of foreign jurisdictions where Reserved Securities have been offered, (ii) arising out of any untrue statement or alleged untrue statement of a material fact contained in any prospectus wrapper or other material prepared by or approved by the Company for distribution to Invitees in connection with the offering of the Reserved Securities or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) caused by the failure of any Invitee to pay for and accept delivery of Reserved Securities which have been orally confirmed for purchase by any Invitee by 9:00 A.M. (New York City time) on the first business day after the date of the Agreement or (iv) related to, or arising out of or in connection with, the offering of the Reserved Securities.

(h) *Other Agreements with Respect to Indemnification*. The provisions of this Section shall not affect any agreement among the Company and the Selling Shareholder(s) with respect to indemnification.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholder(s), on the one hand, and the Underwriters, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Shareholder(s), on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions, or in connection with any violation of the nature referred to in Section 6(g) hereof, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Selling Shareholder(s), on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the Selling Shareholder(s), on the one hand, and the total underwriting discount received by the Underwriters, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus.

The relative fault of the Company and the Selling Shareholder(s), on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Shareholder(s) or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or any violation of the nature referred to in Section 6(g) hereof.

The Company, the Selling Shareholder(s) and the Underwriters agree that Oppenheimer & Co. Inc. will not receive any additional benefits hereunder for serving as the QIU in connection with the offering and sale of the Securities.

The Company, the Selling Shareholder(s) and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the

Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Selling Shareholder shall be required to contribute any amount, taken together with any amount paid by such Selling Shareholder pursuant to Section 6, in excess of the aggregate gross proceeds, after deducting underwriting discounts and commissions but before deducting expenses, received by such Selling Shareholder from the sale of Securities sold by such Selling Shareholder hereunder. Each Selling Shareholder's obligation to contribute as provided in this Section 7 is several in proportion to such gross proceeds received by such Selling Shareholder from the sale of the Securities under this Agreement and not joint.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Underwriter's Affiliates and selling agents shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company or any Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company or such Selling Shareholder, as the case may be. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Schedule A hereto and not joint.

The provisions of this Section shall not affect any agreement among the Company and the Selling Shareholder(s) with respect to contribution.

SECTION 8. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries or the Selling Shareholder(s) submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors, any person controlling the Company or any person controlling any Selling Shareholder and (ii) delivery of and payment for the Securities.

SECTION 9. Termination of Agreement.

(a) *Termination*. The Representative, in its absolute discretion, may terminate this Agreement without liability to the Company, by notice to the Company and the Selling Shareholder(s), at any time at or prior to the Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representative, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the New York Stock Exchange, or (iv) if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq Global Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by order of the Commission, FINRA or any other governmental authority, or (v) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or with respect to Clearstream or Euroclear systems in Europe, or (vi) if a banking moratorium has been declared by either Federal or New York authorities.

(b) *Liabilities*. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 15 and 16 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representative shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representative shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase, and the Company to sell, the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either the (i) Representative or (ii) the Company shall have the right to postpone Closing

Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

SECTION 11. Default by one or more of the Selling Shareholder(s) or the Company. (a) If a Selling Shareholder shall fail at the Closing Time or a Date of Delivery, as the case may be, to sell and deliver the number of Securities which such Selling Shareholder or Selling Shareholders are obligated to sell hereunder, and the remaining Selling Shareholders do not exercise the right hereby granted to increase, pro rata or otherwise, the number of Securities to be sold by them hereunder to the total number to be sold by all Selling Shareholders as set forth in Schedule B hereto, then the Underwriters may, at option of the Representative, by notice from the Representative to the Company and the non-defaulting Selling Shareholder(s), either (i) terminate this Agreement without any liability on the fault of any non-defaulting party except that the provisions of Sections 1, 4, 6, 7, 8, 15 and 16 shall remain in full force and effect or (ii) elect to purchase the Securities which the non-defaulting Selling Shareholder(s) and the Company have agreed to sell hereunder. No action taken pursuant to this Section 11 shall relieve any Selling Shareholder so defaulting from liability, if any, in respect of such default.

In the event of a default by any Selling Shareholder as referred to in this Section 11, each of the Representative and the Company shall have the right to postpone the Closing Time or any Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required change in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements.

(b) If the Company shall fail at the Closing Time or a Date of Delivery, as the case may be, to sell the number of Securities that it is obligated to sell hereunder, then this Agreement shall terminate without any liability on the part of any non-defaulting party; provided, however, that the provisions of Sections 1, 4, 6, 7, 8, 15 and 16 shall remain in full force and effect. No action taken pursuant to this Section shall relieve the Company from liability, if any, in respect of such default.

SECTION 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to Merrill Lynch at One Bryant Park, New York, New York 10036, attention of Syndicate Department, with a copy to ECM Legal; notices to the Company shall be directed to it at 111 Speen Street, Suite 410, Framingham, Massachusetts 01701, attention of General Counsel; and notices to the Selling Shareholder(s) shall be directed to ●, attention of ●.

SECTION 13. No Advisory or Fiduciary Relationship. Each of the Company and each Selling Shareholder acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the initial public offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company and the Selling Shareholder, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering of the Securities and the process leading thereto, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, any of its subsidiaries or any Selling Shareholder, or its respective stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company or any Selling Shareholder with respect to the offering of the Securities or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company, any of its subsidiaries or any Selling Shareholder on other matters) and no Underwriter has any obligation to the Company or any Selling Shareholder with respect to the offering of the Securities except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each of the Company and each Selling Shareholder, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering of the Securities and the Company and each of the Selling Shareholders has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

SECTION 14. Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters, the Company and the Selling Shareholder(s) and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company and the Selling Shareholder(s) and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and the Selling Shareholder(s) and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 15. Trial by Jury. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates), each of the Selling Shareholders and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 16. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

SECTION 17. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 18. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

SECTION 19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 20. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Attorney-in-Fact for the Selling Shareholder(s) a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company and the Selling Shareholder(s) in accordance with its terms.

Very truly yours,

AMERESCO, INC.

By ______________________________
Title:

●

By ______________________________
As Attorney-in-Fact acting on behalf of
the Selling Shareholder(s) named in
Schedule B hereto

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By ______________________________
Authorized Signatory

For itself and as Representative of the other Underwriters named in Schedule A hereto.

Exhibit 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

AMERESCO, INC.

FIRST: The name of the Corporation is Ameresco, Inc. (the "Corporation').

SECOND: The address of the Corporation's registered office in the State of Delaware is 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent. The name of its registered agent at that address is National Registered Agents, Inc.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 652,210,000 shares, consisting of (i) 500,000,000 shares of Class A Common Stock, $.0001 par value per share ("Class A Common Stock"), (ii) 144,000,000 shares of Class B Common Stock, $.0001 par value per share ("Class B Common Stock"), (iii) 5,000,000 shares of Preferred Stock, $.0001 par value per share ("Preferred Stock"), and (iv) 3,210,000 shares of Series A Convertible Preferred Stock, $.0001 par value per share (the "Series A Preferred Stock").

Effective upon the filing of this Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Effective Time"), each share of the Corporation's Common Stock, $.0001 par value per share, issued or outstanding immediately prior to the Effective Time (including treasury shares) shall be reclassified as and split into two shares of Class A Common Stock, automatically and without any action by the holder thereof, and shall represent two shares of Class A Common Stock from and after the Effective Time.

From and after the Effective Time, the term "Common Stock" as used herein shall refer collectively to the Class A Common Stock and the Class B Common Stock.

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. <u>COMMON STOCK</u>.

1. <u>General</u>. Except as expressly provided in this Article Fourth, Class A Common Stock and Class B Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights

of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

2. Voting Rights.

(a) Except as otherwise provided herein or by applicable law, the holders of shares of Class A Common Stock and Class B Common Stock shall at all times vote together as one class on all matters (including the election of directors) submitted to a vote or for the consent of the stockholders of the Corporation. Each holder of shares of Class A Common Stock shall be entitled to one vote for each share of Class A Common Stock held as of the applicable record date on any matter that is submitted to a vote or for the consent of the stockholders of the Corporation. Each holder of shares of Class B Common Stock shall be entitled to five votes for each share of Class B Common Stock held as of the applicable record date on any matter that is submitted to a vote or for the consent of the stockholders of the Corporation.

(b) The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware. Except as otherwise provided herein or by applicable law, the holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (which, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation. There shall be no cumulative voting.

3. Dividends. The holders of shares of Class A Common Stock and the holders of shares of Class B Common Stock shall be entitled to share equally, on a per-share basis, in such dividends and other distributions of cash, property or shares of stock of the Corporation as may be declared by the Board of Directors from time to time with respect to the Common Stock out of assets or funds of the Corporation legally available therefor; *provided, however*, that in the event that such dividend is paid in the form of shares of Common Stock or rights to acquire Common Stock, the holders of shares of Class A Common Stock shall receive shares of Class A Common Stock or rights to acquire shares of Class A Common Stock, as the case may be, and the holders of shares of Class B Common Stock shall receive shares of Class B Common Stock or rights to acquire shares of Class B Common Stock, as the case may be.

4. Liquidation. In the event of the voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of Class A Common Stock and the holders of Class B Common Stock shall be entitled to share equally, on a per-share basis, in all assets of the Corporation of whatever kind available for distribution to the holders of Common Stock.

5. Subdivision or Combinations. If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be subdivided or combined in the same manner.

6. Conversion.

(a) As used in this Section A of Article Fourth, the following terms shall have the following meanings:

(i) A "Descendant" shall mean a lineal descendant of a Class B Holder (including relationships by legal adoption) or the spouse of such lineal descendant.

(ii) A "Class B Holder" shall mean a holder of shares of Class B Common Stock immediately following the IPO Effective Time.

(iii) A "Class B Holder Controlled Entity" shall mean a corporation, partnership, limited liability company, limited liability partnership or similar entity of which more than a majority of the voting stock, voting partnership interests, voting membership interests or similar voting interests are held directly or indirectly by one or more of (i) a Class B Holder, (ii) the spouse of a Class B Holder, (iii) a Descendant, (iv) a Class B Holder Trust or (v) a Class B Holder Charitable Organization.

(iv) A "Class B Holder Trust" shall mean a trust for the benefit of one or more of (i) a Class B Holder, (ii) the spouse of a Class B Holder, (iii) a Descendant, or (iv) the parents of either, a Class B Holder, a Descendant or the spouse of a Class B Holder; provided, however, that the beneficiaries of such trust may also include (x) individuals or entities entitled to specific cash distributions or specific items of property (other than Class B Common Stock) and (y) one or more charitable organizations, contributions to which are deductible for federal income, estate or gift tax purposes.

(v) A "Class B Holder Charitable Organization" shall mean a charitable organization established by one or more of (i) a Class B Holder, (ii) the spouse of a Class B Holder or (iii) a Descendant, contributions to which are deductible for federal income, estate or gift tax purposes.

(vi) "IPO Effective Time" shall mean the closing of the sale of shares of Class A Common Stock in a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $40,000,000 of gross proceeds to the Corporation,

(vii) A "Permitted Transferee" shall mean (i) a Class B Holder, (ii) the spouse or parents of a Class B Holder, (iii) a Descendant, (iv) the executer or administrator of the estate of a Class B Holder, the spouse of a Class B Holder or a Descendant (but solely in the context of executing or administering such estate), (v) a Class B Holder Controlled Entity, (vi) a Class B Holder Trust or (vii) a Class B Holder Charitable Organization.

(viii) “Transfer” shall mean any sale, assignment, transfer, pledge, conveyance, hypothecation or other transfer or disposition of such share, whether or not for value and whether voluntary or involuntary.

(b) Each share of Class B Common Stock shall be convertible into one fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time.

(c) Each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the receipt by the Corporation of a written instrument, executed by the holders of a majority of the shares of Class B Common Stock then outstanding, electing to convert all outstanding shares of Class B Common Stock into Class A Common Stock.

(d) Each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock at such time as the number of outstanding shares of Class B Common Stock is less than 20% of the total number of shares of Class A Common Stock and Class B Common Stock then outstanding. The Corporation shall, as promptly as practicable, give notice of the conversion of shares of Class B Common Stock into Class A Common Stock to all record holders of Class B Common Stock pursuant to this subsection (d); provided that no delay or failure to give such notice shall invalidate or otherwise affect such conversion.

(e) Each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the Transfer by a holder of such share of Class B Common Stock other than a Transfer to:

(i) a Permitted Transferee; *provided, however*, that, notwithstanding this clause (i), each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the Transfer of such share of Class B Common Stock in a “brokers’ transaction”, a transaction directly with a “market maker” or a “riskless principal transaction” (each as defined for purposes of Rule 144 of the Securities Act of 1933, as amended), or any similar open market transaction on any securities exchange, national quotation system or over-the-counter market;

(ii) a pledgee of such holder of shares of Class B Common Stock pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee; *provided*, *however*, that such shares shall not be transferred to, registered in the name of, or voted by the pledgee; and, *provided, further*, that in the event of foreclosure or other similar action by the pledgee, such pledged shares of Class B Common Stock shall automatically, without any further action, convert into shares of Class A Common Stock pursuant to this subsection (e); or

(iii) a nominee of such holder of shares of Class B Common Stock (without any change in beneficial ownership, as such term is defined under Section 13(d) of the Securities Exchange Act of 1934, as amended).

In the event of an automatic conversion of any shares of Class B Common Stock into shares of Class A Common Stock pursuant to this subsection (e), such conversion shall be deemed to have been made at the time that the Transfer of such shares occurred.

(f) The Corporation may, from time to time, establish such policies and procedures relating to the conversion of the shares of Class B Common Stock into shares of Class A Common Stock and the general administration of this dual class common stock structure, including the issuance of separate stock certificates with respect thereto, as it may deem necessary or advisable, and may request that holders of shares of Class B Common Stock furnish affidavits or other proof to the Corporation as it deems necessary to verify the ownership of shares of Class B Common Stock, to determine whether a Transfer of shares of Class B Common Stock will result in a conversion to shares of Class A Common Stock, and to otherwise confirm that a conversion to shares of Class A Common Stock has not occurred. A determination by the Secretary of the Corporation that a Transfer of shares of Class B Common Stock results in a conversion to shares of Class A Common Stock shall be conclusive.

(g) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

(h) Upon any conversion of Class B Common Stock into Class A Common Stock, all rights of the holder of shares of Class B Common Stock shall cease, and the person or persons in whose names or names the certificate or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of shares of Class A Common Stock. If any shares of Class B Common Stock shall be converted pursuant to this Section 6, the shares so converted shall be retired and cancelled and may not be reissued as shares of Class B Common Stock.

7. Mergers, Consolidation or Other Combination Transactions. In the event that the Corporation shall be a party to any merger, consolidation, business combination or other transaction in which shares of Common Stock are exchanged for or converted into stock or securities of another entity, or the right to receive cash or any other property, then, and in such event, the shares of Class A Common Stock and Class B Common Stock shall be entitled to be exchanged for or converted into the same kind and amount of stock, securities, cash or other property, as the case may be, into which or for which each share of the other class of Common Stock is exchanged or converted. Notwithstanding the foregoing sentence, if the shares of Common Stock of the Corporation outstanding immediately prior to such merger, consolidation, business combination or other transaction continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (without giving effect to any differences in the voting rights of the stock or securities of the surviving or resulting entity to be received by holders of shares of Class A Common Stock and Class B Common Stock), then the holders of shares of

Class A Common Stock and Class B Common Stock shall be entitled to receive stock or securities of the surviving or resulting entity that differ with respect to voting rights and conversion rights in a similar manner to which the shares of Class A Common Stock and Class B Common Stock differ under this Certificate of Incorporation.

8. Restrictions on Issuance. Following the IPO Effective Time, the Corporation shall not issue or sell any shares of Class B Common Stock or any securities (including, without limitation, any rights, options, warrants or other securities) convertible into or exercisable or exchangeable for shares of Class B Common Stock. Notwithstanding the foregoing sentence, the Corporation may issue shares of Class B Common Stock pursuant to stock splits, stock dividends, subdivisions, combinations, recapitalizations or similar transactions with respect to the Class B Common Stock.

B. PREFERRED STOCK.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designations relating thereto in accordance with the General Corporation Law of the State of Delaware, to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of the State of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law.

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation entitled to vote thereon, voting as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

C. SERIES A PREFERRED STOCK.

1. Dividends.

The Corporation shall not declare or pay any cash dividends on shares of Common Stock until the holders of shares of Series A Preferred Stock then outstanding have first received, or simultaneously receive, a cash dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to the product of (i) the per share amount, if any, of the dividends or distributions to be declared, paid or set aside for the Common Stock and (ii) the number of whole shares of Common Stock into which such shares of Series A Preferred Stock are then convertible.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Series A Preferred Stock (such Common Stock and other stock being collectively referred to as “Junior Stock”) by reason of their ownership thereof, an amount equal to the greater of (i) $1.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares), plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had each such share been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series A Preferred Stock and any class or series of stock ranking on liquidation on a parity with the Series A Preferred Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Series A Preferred Stock and any other class or series of stock of the Corporation ranking on liquidation on a parity with the Series A Preferred Stock, upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Junior Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its stockholders.

(c) Any merger or consolidation in which (i) the Corporation is a constituent party or (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation (except any such merger or consolidation involving the Corporation or a subsidiary in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold immediately following such merger or consolidation at least 51% by voting power of the capital stuck of (A) the surviving or resulting corporation or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation), or sale of all or substantially all the assets of the Corporation, shall be deemed to be a liquidation of the Corporation for purposes of this Section 2, and the agreement or plan of merger or consolidation with respect to such merger, consolidation or sale shall provide that the consideration payable to the stockholders of the Corporation (in the case of a merger or consolidation), or consideration payable to the Corporation, together with all other available assets of the Corporation (in the case of an asset sale), shall be distributed to the holders of capital stock of the Corporation in accordance with Subsections 2(a) and 2(b) above. The amount deemed distributed to the holders of Series A Preferred Stock upon any such merger, consolidation or sale shall be the cash or the value of the property, rights or securities distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or other securities shall be determined in good faith by the Board of Directors of the Corporation.

3. Voting.

(a) On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written action of stockholders in lieu of meeting), each bolder of outstanding shares of Series A Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law, by the provisions of Subsection 3(b) or 3(c) below or by the provisions establishing any other series of Preferred Stock, holders of Series A Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

(b) The Corporation shall not amend, alter or repeal the preferences, special rights, or other powers of the Series A Preferred Stock so as to affect adversely the Series A Preferred Stock without the written consent or affirmative vote of the holders of not less than 66 ⅔% of the then outstanding shares of Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class. For this purpose, without limiting the generality of the foregoing, the authorization of any shares of capital stock with preference or priority over the Series A Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, dissolution or winding up of the Corporation shall be deemed to affect adversely the Series A Preferred Stock, and the authorization of any shares of capital stock on u parity with Series A Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, dissolution or winding up of the Corporation shall not be deemed to affect adversely the Series A Preferred Stock.

4. Optional Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the “Conversion Rights”):

(a) Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Class B Common Stock as is determined by dividing $1.00 by the Series A Conversion Price (as defined below) in effect at the time of conversion. Immediately following the Effective Time, the "Series A Conversion Price" shall be $0.16 2/3, resulting in a conversion rate of six shares of Class B Common Stock for each share of Series A Preferred Stock converted. Such Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Class B Common Stock, shall be subject to adjustment after the Effective Time as provided below.

(b) Fractional Shares. No fractional shares of Class B Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then effective Series A Conversion Price.

(c) Mechanics of Conversion.

(i) In order for a holder of Series A Preferred Stock to convert shares of Series A Preferred Stock into shares of Class B Common Stock, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock, at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series A Preferred Stock represented by such certificate or certificates. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Class B Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his or its attorney duly authorized in writing. The date of receipt of such certificates and notice by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) shall be the conversion date ("Conversion Date"), and the shares of Class B Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver at such office to such holder of Series A Preferred Stock, or to his or its nominees, a certificate or certificates for the number of shares of Class B Common Stock to which such holder shall be entitled, together with cash in lieu of any fraction of a share.

(ii) The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Class B Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock. Before taking any action which would cause an adjustment reducing the Series A Conversion Price below the then par value of the shares of Class B Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Class B Common Stock at such adjusted Series A Conversion Price.

(iii) Upon any such conversion, no adjustment to the Series A Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Class B Common Stock delivered upon conversion.

(iv) All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the Conversion Date, except only the right of the holders thereof to receive shares of Class B Common Stock in exchange therefor and payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Stock so converted shall be retired and cancelled and shall not be reissued, and the Corporation (without the need for stockholder action) may from time to time take such appropriate action as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

(v) The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issuance or delivery of shares of Class B Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Class B Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(d) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Effective Time effect a subdivision of the outstanding Class B Common Stock, the Series A Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Corporation shall at any time or from time to time after the Effective Time combine the outstanding shares of Class B Common Stock, the Series A Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(e) Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time, or from time to time after the Effective Time shall make or issue, or fix a record date for the determination of holders of Class B Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Class B Common Stock, then and in each such event the Series A Conversion Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record dale shall have been fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Class B Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Class B Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Class B Common Stock issuable in payment of such dividend or distribution;

provided, however, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions; and provided further, however, that no such adjustment shall be made if the holders of Series A Preferred Stock simultaneously receive (i) a dividend or other distribution of shares of Class B Common Stock in a number equal to the number of shares of Class B Common Stock as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Class B Common Stock on the date of such event or (ii) a dividend or other distribution of shares of Series A Preferred Stock which are convertible, as of the date of such event, into such number of shares of Class B Common Stock as is equal to the number of additional shares of Class B Common Stock being issued with respect to each share of Class B Common Stock in such dividend or distribution.

(f) Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Effective Time shall make or issue, or fix a record date for the determination of holders of Class B Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than shares of Class B Common Stock) or in cash or other property (other than cash out of earnings or earned surplus, determined in accordance with generally accepted accounting principles), then and in each such event provision shall be made so that the holders of the Series A Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Class B Common Stock receivable thereupon, the kind and amount of securities of the Corporation, cash or other property which they would have been entitled to receive had the Series A Preferred Stock been converted into Class B Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of the Series A Preferred Stock, provided, however, that no such adjustment shall be made if the holders of Series A Preferred Stock simultaneously receive a dividend or other distribution of such securities in an amount equal to the amount of such securities as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Class B Common Stock on the date of such event.

(g) Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2(c), if there shall occur any reorganization, recapitalization, consolidation or merger involving the Corporation in which the Class B Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by paragraphs (d), (e) or (f) of this Section 4), then, following any such reorganization, recapitalization, consolidation or merger, each share of Series A Preferred Stock shall be convertible into the kind and amount of securities, cash or other property which a holder of the number of shares of Class B Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Section 4 set forth with respect to the rights and interest thereafter of the holders of the Series A

Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

(h) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

(i) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price then in effect, and (ii) the number of shares of Class B Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

(j) Notice of Record Date. In the event:

(i) the Corporation shall take a record of the holders of its Class B Common Stock (or other stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

(ii) of any capital reorganization of the Corporation, any reclassification of the Class B Common Stock of the Corporation, any consolidation or merger of the Corporation with or into another corporation (other than a consolidation or merger in which the Corporation is the surviving entity and its Class B Common Stock is not converted into or exchanged for any other securities or property), or any transfer of all or substantially all of the assets of the Corporation; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will mail or cause to be mailed to the holders of the Series A Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Class B Common Stock (or such other stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Class B Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be mailed at least 10 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

(a) Upon the closing of the sale of shares of Class A Common Stock in a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $40,000,000 of gross proceeds to the Corporation (the “Mandatory Conversion Date”), (i) all outstanding shares of Series A Preferred Stock shall automatically be converted into shares of Class B Common Stock, at the then effective conversion rate and (ii) the number of authorized shares of Preferred Stock shall be automatically reduced by the number of shares of Preferred Stock that had been designated as Series A Preferred Stock, and all provisions included under the caption “Series A Convertible Preferred Stock”, and all references to the Series A Preferred Stock, shall be deleted and shall be of no further force or effect.

(b) All holders of record of shares of Series A Preferred Stock shall be given written notice of the Mandatory Conversion Date and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5. Such notice need not be given in advance of the occurrence of the Mandatory Conversion Date. Such notice shall be sent by first class or registered mail, postage prepaid, to each record holder of Series A Preferred Stock at such holder’s address last shown on the records of the transfer agent for the Series A Preferred Stock (or the records of the Corporation, if it serves as its own transfer agent). Upon receipt of such notice, each holder of shares of Series A Preferred Stock shall surrender his or its certificate or certificates for all such shares to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Class B Common Stock to which such holder is entitled pursuant to this Section 5. On the Mandatory Conversion Date, all outstanding shares of Series A Preferred Stock shall be deemed to have been converted into shares of Class B Common Stock, which shall be deemed to be outstanding of record, and all rights with respect to the Series A Preferred Stock so converted, including the rights, if any, to receive notices and vote (other than as a holder of Class B Common Stock) will terminate, except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates for the number of shares of Class B Common Stock into which such Series A Preferred Stock has been converted, and payment of any declared but unpaid dividends thereon. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his or its attorney duly authorized in writing. As soon as practicable after the Mandatory Conversion Date and the surrender of the certificate or certificates for Series A Preferred Stock, the Corporation shall cause to be issued and delivered to such holder, or on his or its written order, a certificate or certificates for the number of full shares of Class B Common Stock issuable on such conversion in accordance with the provisions hereof and cash as provided in Subsection 4(b) in respect of any fraction of a share of Class B Common Stock otherwise issuable upon such conversion,

(c) All certificates evidencing shares of Series A Preferred Stock which are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after the Mandatory Conversion Date, be deemed to have been retired and cancelled and the shares of Series A Preferred Stock represented thereby converted into Class B Common Stock for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date. Such converted Series A Preferred Stock may not be reissued, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

6. Waiver. Any of the rights of the holders of Series A Preferred Stock set forth herein may be waived by the affirmative vote of the holders of not less than 66 ⅔% of the shares of Series A Preferred Stock then outstanding.

FIFTH: Except as otherwise provided herein, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

SIXTH: In furtherance and not in limitation of the powers conferred upon it by the General Corporation Law of the State of Delaware, and subject to the terms of any series of Preferred Stock, the Board of Directors shall have the power to adopt, amend, alter or repeal the By-laws of the Corporation by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present. The stockholders may not adopt, amend, alter or repeal the By-laws of the Corporation, or adopt any provision inconsistent therewith, unless such action is approved, in addition to any other vote required by this Certificate of Incorporation, by the affirmative vote of the holders of shares representing at least two-thirds of the votes that all the stockholders would be entitled to cast in any annual election of directors or class of directors. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article SIXTH.

SEVENTH: Except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If the General Corporation Law of the State of Delaware is amended to permit further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware as so amended.

EIGHTH: The Corporation shall provide indemnification as follows:

1. Actions, Suits and Proceedings Other than by or in the Right of the Corporation. The Corporation shall 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, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter 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), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974), and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

2. Actions or Suits by or in the Right of the Corporation. The Corporation shall indemnify any Indemnitee who was or is a party to or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), 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 by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made under this Section 2 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Corporation, unless, and only to the extent, that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses (including attorneys' fees) which the Court of Chancery of Delaware or such other court shall deem proper.

3. Indemnification for Expenses of Successful Party. Notwithstanding any other provisions of this Article EIGHTH, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article EIGHTH, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, Indemnitee shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by or on behalf of Indemnitee in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe his or her conduct was unlawful, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

4. Notification and Defense of Claim. As a condition precedent to an Indemnitee's right to be indemnified, such Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving such Indemnitee for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to Indemnitee. After notice from the Corporation to Indemnitee of its election so to assume such defense, the Corporation shall not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with such action, suit, proceeding or investigation, other than as provided below in this Section 4. Indemnitee shall have the right to employ his or her own counsel in connection with such action, suit, proceeding or investigation, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Corporation, (ii) counsel to Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and Indemnitee in the conduct of the defense of such action, suit, proceeding or investigation or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, suit, proceeding or investigation, in each of which cases the fees and expenses of counsel for Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article EIGHTH. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above. The Corporation shall not be required to indemnify Indemnitee under this Article EIGHTH for any amounts paid in settlement of any action, suit, proceeding or investigation effected without its written consent. The Corporation shall not settle any action, suit, proceeding or investigation in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee will unreasonably withhold or delay its consent to any proposed settlement.

5. Advance of Expenses. Subject to the provisions of Section 6 of this Article EIGHTH, in the event of any threatened or pending action, suit, proceeding or investigation of which the Corporation receives notice under this Article EIGHTH, any expenses (including attorneys' fees) incurred by or on behalf of Indemnitee in defending an action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter; provided, however, that the payment of such expenses incurred by or on behalf of Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article EIGHTH; and provided further that no such advancement of expenses shall be made under this Article EIGHTH if it is determined (in the manner described in Section 6) that (i) Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (ii) with respect to any criminal action or proceeding, Indemnitee had reasonable cause to believe his or her conduct was unlawful. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment.

6. Procedure for Indemnification and Advancement of Expenses. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article EIGHTH, an Indemnitee shall submit to the Corporation a written request. Any such advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of Indemnitee, unless (i) the Corporation has assumed the defense pursuant to Section 4 of this Article EIGHTH (and none of the circumstances described in Section 4 of this Article EIGHTH that would nonetheless entitle the Indemnitee to indemnification for the fees and expenses of separate counsel have occurred) or (ii) the Corporation determines within such 60-day period that Indemnitee did not meet the applicable standard of conduct set forth in Section 1, 2 or 5 of this Article EIGHTH, as the case may be. Any such indemnification, unless ordered by a court, shall be made with respect to requests under Section 1 or 2 only as authorized in the specific case upon a determination by the Corporation that the indemnification of Indemnitee is proper because Indemnitee has met the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance (a) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) by a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a quorum, (c) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) in a written opinion, or (d) by the stockholders of the Corporation.

7. Remedies. The right to indemnification or advancement of expenses as granted by this Article EIGHTH shall be enforceable by Indemnitee in any court of competent jurisdiction. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 of this Article EIGHTH that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. Indemnitee's expenses (including

attorneys' fees) reasonably incurred in connection with successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the Corporation. Notwithstanding the foregoing, in any suit brought by Indemnitee to enforce a right to indemnification hereunder it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in the General Corporation Law of the State of Delaware.

8. Limitations. Notwithstanding anything to the contrary in this Article EIGHTH, except as set forth in Section 7 of this Article EIGHTH, the Corporation shall not indemnify an Indemnitee pursuant to this Article EIGHTH in connection with a proceeding (or part thereof) initiated by such Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation. Notwithstanding anything to the contrary in this Article EIGHTH, the Corporation shall not indemnify an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund indemnification payments to the Corporation to the extent of such insurance reimbursement.

9. Subsequent Amendment. No amendment, termination or repeal of this Article EIGHTH or of the relevant provisions of the General Corporation Law of the State of Delaware or any other applicable laws shall adversely affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

10. Other Rights. The indemnification and advancement of expenses provided by this Article EIGHTH shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in Indemnitee's official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of Indemnitee. Nothing contained in this Article EIGHTH shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article EIGHTH. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article EIGHTH.

11. Partial Indemnification. If an Indemnitee is entitled under any provision of this Article EIGHTH to indemnification by the Corporation for some or a portion of the expenses (including attorneys' fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion

of such expenses (including attorneys' fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement to which Indemnitee is entitled.

12. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

13. Savings Clause. If this Article EIGHTH or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article EIGHTH that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. Definitions. Terms used herein and defined in Section 145(h) and Section 145(i) of the General Corporation Law of the State of Delaware shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

NINTH: This Article NINTH is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. Number of Directors; Election of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the Corporation shall be established by the Board of Directors. Election of directors need not be by written ballot, except as and to the extent provided in the By-laws of the Corporation.

3. Classes of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the Board of Directors shall be and is divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III at the time such classification becomes effective.

4. Terms of Office. Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at

the Corporation's annual meeting of stockholders held in 2011; each director initially assigned to Class II shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2012; and each director initially assigned to Class III shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2013; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation or removal.

5. Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2 of this Article NINTH shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

6. Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law or by this Certificate of Incorporation.

7. Removal. Subject to the rights of holders of any series of Preferred Stock, directors of the Corporation may be removed only for cause and only by the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors.

8. Vacancies. Subject to the rights of holders of any series of Preferred Stock, any vacancy or newly created directorship in the Board of Directors, however occurring, shall be filled only by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. A director elected to fill a vacancy shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his or her successor and to such director's earlier death, resignation or removal.

9. Stockholder Nominations and Introduction of Business, Etc. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the By-laws of the Corporation.

10. Amendments to Article. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article NINTH.

TENTH: Stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article TENTH.

ELEVENTH: Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board or the Chief Executive Officer, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article ELEVENTH.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation, which restates, integrates and amends the certificate of incorporation of the Corporation, and which has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, has been executed by its duly authorized officer this _____ day of __________, 2010.

AMERESCO, INC.

By: ______________________________

Name:
Title: President

Exhibit 3.2

RESTATED CERTIFICATE OF INCORPORATION

OF

AMERESCO, INC.

FIRST: The name of the Corporation is Ameresco, Inc. (the “Corporation’).

SECOND: The address of the Corporation’s registered office in the State of Delaware is 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent. The name of its registered agent at that address is National Registered Agents, Inc.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 649,000,000 shares, consisting of (i) 500,000,000 shares of Class A Common Stock, $.0001 par value per share (“Class A Common Stock”), (ii) 144,000,000 shares of Class B Common Stock, $.0001 par value per share (“Class B Common Stock”), and (iii) 5,000,000 shares of Preferred Stock, $.0001 par value per share (“Preferred Stock”).

The term “Common Stock” as used herein shall refer collectively to the Class A Common Stock and the Class B Common Stock.

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. <u>COMMON STOCK</u>.

1. <u>General</u>. Except as expressly provided in this Article Fourth, Class A Common Stock and Class B Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

2. <u>Voting Rights</u>.

(a) Except as otherwise provided herein or by applicable law, the holders of shares of Class A Common Stock and Class B Common Stock shall at all times vote together as one class on all matters (including the election of directors) submitted to a vote or for the consent of the stockholders of the Corporation. Each holder of shares of Class A Common Stock shall be entitled to one vote for each share of Class A Common Stock held as of the applicable record date on any matter that is submitted to a vote or for the consent of the stockholders of the Corporation. Each holder of shares of Class B Common Stock shall be entitled to five votes for each share of Class B Common Stock held as of the applicable record date on any matter that is submitted to a vote or for the consent of the stockholders of the Corporation.

(b) The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware. Except as otherwise provided herein or by applicable law, the holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (which, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation. There shall be no cumulative voting.

3. Dividends. The holders of shares of Class A Common Stock and the holders of shares of Class B Common Stock shall be entitled to share equally, on a per-share basis, in such dividends and other distributions of cash, property or shares of stock of the Corporation as may be declared by the Board of Directors from time to time with respect to the Common Stock out of assets or funds of the Corporation legally available therefor; *provided, however*, that in the event that such dividend is paid in the form of shares of Common Stock or rights to acquire Common Stock, the holders of shares of Class A Common Stock shall receive shares of Class A Common Stock or rights to acquire shares of Class A Common Stock, as the case may be, and the holders of shares of Class B Common Stock shall receive shares of Class B Common Stock or rights to acquire shares of Class B Common Stock, as the case may be.

4. Liquidation. In the event of the voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of Class A Common Stock and the holders of Class B Common Stock shall be entitled to share equally, on a per-share basis, in all assets of the Corporation of whatever kind available for distribution to the holders of Common Stock.

5. Subdivision or Combinations. If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be subdivided or combined in the same manner.

6. Conversion.

(a) As used in this Section A of Article Fourth, the following terms shall have the following meanings:

(i) A “Descendant” shall mean a lineal descendant of a Class B Holder (including relationships by legal adoption) or the spouse of such lineal descendant.

(ii) A “Class B Holder” shall mean a holder of shares of Class B Common Stock immediately following the IPO Effective Time.

(iii) A "Class B Holder Controlled Entity" shall mean a corporation, partnership, limited liability company, limited liability partnership or similar entity of which more than a majority of the voting stock, voting partnership interests, voting membership interests or similar voting interests are held directly or indirectly by one or more of (i) a Class B Holder, (ii) the spouse of a Class B Holder, (iii) a Descendant, (iv) a Class B Holder Trust or (v) a Class B Holder Charitable Organization.

(iv) A "Class B Holder Trust" shall mean a trust for the benefit of one or more of (i) a Class B Holder, (ii) the spouse of a Class B Holder, (iii) a Descendant, or (iv) the parents of either, a Class B Holder, a Descendant or the spouse of a Class B Holder; provided, however, that the beneficiaries of such trust may also include (x) individuals or entities entitled to specific cash distributions or specific items of property (other than Class B Common Stock) and (y) one or more charitable organizations, contributions to which are deductible for federal income, estate or gift tax purposes.

(v) A "Class B Holder Charitable Organization" shall mean a charitable organization established by one or more of (i) a Class B Holder, (ii) the spouse of a Class B Holder or (iii) a Descendant, contributions to which are deductible for federal income, estate or gift tax purposes.

(vi) "IPO Effective Time" shall mean the closing of the sale of shares of Class A Common Stock in a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $40,000,000 of gross proceeds to the Corporation,

(vii) A "Permitted Transferee" shall mean (i) a Class B Holder, (ii) the spouse or parents of a Class B Holder, (iii) a Descendant, (iv) the executer or administrator of the estate of a Class B Holder, the spouse of a Class B Holder or a Descendant (but solely in the context of executing or administering such estate), (v) a Class B Holder Controlled Entity, (vi) a Class B Holder Trust or (vii) a Class B Holder Charitable Organization.

(viii) "Transfer" shall mean any sale, assignment, transfer, pledge, conveyance, hypothecation or other transfer or disposition of such share, whether or not for value and whether voluntary or involuntary.

(b) Each share of Class B Common Stock shall be convertible into one fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time.

(c) Each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the receipt by the Corporation of a written instrument, executed by the holders of a majority of the shares of Class B Common Stock then outstanding, electing to convert all outstanding shares of Class B Common Stock into Class A Common Stock.

(d) Each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock at such time as the number of outstanding shares of Class B Common Stock is less than

20% of the total number of shares of Class A Common Stock and Class B Common Stock then outstanding. The Corporation shall, as promptly as practicable, give notice of the conversion of shares of Class B Common Stock into Class A Common Stock to all record holders of Class B Common Stock pursuant to this subsection (d); provided that no delay or failure to give such notice shall invalidate or otherwise affect such conversion.

(e) Each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the Transfer by a holder of such share of Class B Common Stock other than a Transfer to:

(i) a Permitted Transferee; *provided, however*, that, notwithstanding this clause (i), each share of Class B Common Stock shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the Transfer of such share of Class B Common Stock in a "brokers' transaction", a transaction directly with a "market maker" or a "riskless principal transaction" (each as defined for purposes of Rule 144 of the Securities Act of 1933, as amended), or any similar open market transaction on any securities exchange, national quotation system or over-the-counter market;

(ii) a pledgee of such holder of shares of Class B Common Stock pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee; *provided*, *however*, that such shares shall not be transferred to, registered in the name of, or voted by the pledgee; and, *provided, further*, that in the event of foreclosure or other similar action by the pledgee, such pledged shares of Class B Common Stock shall automatically, without any further action, convert into shares of Class A Common Stock pursuant to this subsection (e); or

(iii) a nominee of such holder of shares of Class B Common Stock (without any change in beneficial ownership, as such term is defined under Section 13(d) of the Securities Exchange Act of 1934, as amended).

In the event of an automatic conversion of any shares of Class B Common Stock into shares of Class A Common Stock pursuant to this subsection (e), such conversion shall be deemed to have been made at the time that the Transfer of such shares occurred.

(f) The Corporation may, from time to time, establish such policies and procedures relating to the conversion of the shares of Class B Common Stock into shares of Class A Common Stock and the general administration of this dual class common stock structure, including the issuance of separate stock certificates with respect thereto, as it may deem necessary or advisable, and may request that holders of shares of Class B Common Stock furnish affidavits or other proof to the Corporation as it deems necessary to verify the ownership of shares of Class B Common Stock, to determine whether a Transfer of shares of Class B Common Stock will result in a conversion to shares of Class A Common Stock, and to otherwise confirm that a conversion to shares of Class A Common Stock has not occurred. A determination by the Secretary of the Corporation that a Transfer of shares of Class B Common Stock results in a conversion to shares of Class A Common Stock shall be conclusive.

(g) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

(h) Upon any conversion of Class B Common Stock into Class A Common Stock, all rights of the holder of shares of Class B Common Stock shall cease, and the person or persons in whose names or names the certificate or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of shares of Class A Common Stock. If any shares of Class B Common Stock shall be converted pursuant to this Section 6, the shares so converted shall be retired and cancelled and may not be reissued as shares of Class B Common Stock.

7. Mergers, Consolidation or Other Combination Transactions. In the event that the Corporation shall be a party to any merger, consolidation, business combination or other transaction in which shares of Common Stock are exchanged for or converted into stock or securities of another entity, or the right to receive cash or any other property, then, and in such event, the shares of Class A Common Stock and Class B Common Stock shall be entitled to be exchanged for or converted into the same kind and amount of stock, securities, cash or other property, as the case may be, into which or for which each share of the other class of Common Stock is exchanged or converted. Notwithstanding the foregoing sentence, if the shares of Common Stock of the Corporation outstanding immediately prior to such merger, consolidation, business combination or other transaction continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (without giving effect to any differences in the voting rights of the stock or securities of the surviving or resulting entity to be received by holders of shares of Class A Common Stock and Class B Common Stock), then the holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to receive stock or securities of the surviving or resulting entity that differ with respect to voting rights and conversion rights in a similar manner to which the shares of Class A Common Stock and Class B Common Stock differ under this Certificate of Incorporation.

8. Restrictions on Issuance. Following the IPO Effective Time, the Corporation shall not issue or sell any shares of Class B Common Stock or any securities (including, without limitation, any rights, options, warrants or other securities) convertible into or exercisable or exchangeable for shares of Class B Common Stock. Notwithstanding the foregoing sentence, the Corporation may issue shares of Class B Common Stock pursuant to stock splits, stock dividends, subdivisions, combinations, recapitalizations or similar transactions with respect to the Class B Common Stock.

B. PREFERRED STOCK.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designations relating thereto in accordance with the General Corporation Law of the State of Delaware, to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of the State of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law.

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation entitled to vote thereon, voting as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

FIFTH: Except as otherwise provided herein, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

SIXTH: In furtherance and not in limitation of the powers conferred upon it by the General Corporation Law of the State of Delaware, and subject to the terms of any series of Preferred Stock, the Board of Directors shall have the power to adopt, amend, alter or repeal the By-laws of the Corporation by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present. The stockholders may not adopt, amend, alter or repeal the By-laws of the Corporation, or adopt any provision inconsistent therewith, unless such action is approved, in addition to any other vote required by this Certificate of Incorporation, by the affirmative vote of the holders of shares representing at least two-thirds of the votes that all the stockholders would be entitled to cast in any annual election of directors or class of directors. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article SIXTH.

SEVENTH: Except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If the General Corporation Law of the State of Delaware is amended to permit further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware as so amended.

EIGHTH: The Corporation shall provide indemnification as follows:

1. Actions, Suits and Proceedings Other than by or in the Right of the Corporation. The Corporation shall 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, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter 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), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974), and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

2. Actions or Suits by or in the Right of the Corporation. The Corporation shall indemnify any Indemnitee who was or is a party to or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any

employee benefit plan), 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 by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made under this Section 2 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Corporation, unless, and only to the extent, that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses (including attorneys' fees) which the Court of Chancery of Delaware or such other court shall deem proper.

3. Indemnification for Expenses of Successful Party. Notwithstanding any other provisions of this Article EIGHTH, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article EIGHTH, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, Indemnitee shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by or on behalf of Indemnitee in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe his or her conduct was unlawful, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

4. Notification and Defense of Claim. As a condition precedent to an Indemnitee's right to be indemnified, such Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving such Indemnitee for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to Indemnitee. After notice from the Corporation to Indemnitee of its election so to assume such defense, the Corporation shall not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with such action, suit, proceeding or investigation, other than as provided below in this Section 4. Indemnitee shall have the right to employ his or her own counsel in connection with such action, suit, proceeding or investigation, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Corporation, (ii) counsel to Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and Indemnitee in the conduct of the defense of such action, suit, proceeding or investigation or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, suit,

proceeding or investigation, in each of which cases the fees and expenses of counsel for Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article EIGHTH. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above. The Corporation shall not be required to indemnify Indemnitee under this Article EIGHTH for any amounts paid in settlement of any action, suit, proceeding or investigation effected without its written consent. The Corporation shall not settle any action, suit, proceeding or investigation in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee will unreasonably withhold or delay its consent to any proposed settlement.

5. Advance of Expenses. Subject to the provisions of Section 6 of this Article EIGHTH, in the event of any threatened or pending action, suit, proceeding or investigation of which the Corporation receives notice under this Article EIGHTH, any expenses (including attorneys' fees) incurred by or on behalf of Indemnitee in defending an action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter; provided, however, that the payment of such expenses incurred by or on behalf of Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article EIGHTH; and provided further that no such advancement of expenses shall be made under this Article EIGHTH if it is determined (in the manner described in Section 6) that (i) Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (ii) with respect to any criminal action or proceeding, Indemnitee had reasonable cause to believe his or her conduct was unlawful. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment.

6. Procedure for Indemnification and Advancement of Expenses. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article EIGHTH, an Indemnitee shall submit to the Corporation a written request. Any such advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of Indemnitee, unless (i) the Corporation has assumed the defense pursuant to Section 4 of this Article EIGHTH (and none of the circumstances described in Section 4 of this Article EIGHTH that would nonetheless entitle the Indemnitee to indemnification for the fees and expenses of separate counsel have occurred) or (ii) the Corporation determines within such 60-day period that Indemnitee did not meet the applicable standard of conduct set forth in Section 1, 2 or 5 of this Article EIGHTH, as the case may be. Any such indemnification, unless ordered by a court, shall be made with respect to requests under Section 1 or 2 only as authorized in the specific case upon a determination by the Corporation that the indemnification of Indemnitee is proper because Indemnitee has met the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance (a) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) by a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a

quorum, (c) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) in a written opinion, or (d) by the stockholders of the Corporation.

7. Remedies. The right to indemnification or advancement of expenses as granted by this Article EIGHTH shall be enforceable by Indemnitee in any court of competent jurisdiction. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 of this Article EIGHTH that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. Indemnitee's expenses (including attorneys' fees) reasonably incurred in connection with successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the Corporation. Notwithstanding the foregoing, in any suit brought by Indemnitee to enforce a right to indemnification hereunder it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in the General Corporation Law of the State of Delaware.

8. Limitations. Notwithstanding anything to the contrary in this Article EIGHTH, except as set forth in Section 7 of this Article EIGHTH, the Corporation shall not indemnify an Indemnitee pursuant to this Article EIGHTH in connection with a proceeding (or part thereof) initiated by such Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation. Notwithstanding anything to the contrary in this Article EIGHTH, the Corporation shall not indemnify an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund indemnification payments to the Corporation to the extent of such insurance reimbursement.

9. Subsequent Amendment. No amendment, termination or repeal of this Article EIGHTH or of the relevant provisions of the General Corporation Law of the State of Delaware or any other applicable laws shall adversely affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

10. Other Rights. The indemnification and advancement of expenses provided by this Article EIGHTH shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in Indemnitee's official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of Indemnitee. Nothing contained in this Article EIGHTH shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article

EIGHTH. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article EIGHTH.

11. Partial Indemnification. If an Indemnitee is entitled under any provision of this Article EIGHTH to indemnification by the Corporation for some or a portion of the expenses (including attorneys' fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such expenses (including attorneys' fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement to which Indemnitee is entitled.

12. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

13. Savings Clause. If this Article EIGHTH or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article EIGHTH that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. Definitions. Terms used herein and defined in Section 145(h) and Section 145(i) of the General Corporation Law of the State of Delaware shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

NINTH: This Article NINTH is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. Number of Directors; Election of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the

Corporation shall be established by the Board of Directors. Election of directors need not be by written ballot, except as and to the extent provided in the By-laws of the Corporation.

3. Classes of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the Board of Directors shall be and is divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III at the time such classification becomes effective.

4. Terms of Office. Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2011; each director initially assigned to Class II shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2012; and each director initially assigned to Class III shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2013; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation or removal.

5. Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2 of this Article NINTH shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

6. Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law or by this Certificate of Incorporation.

7. Removal. Subject to the rights of holders of any series of Preferred Stock, directors of the Corporation may be removed only for cause and only by the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors.

8. Vacancies. Subject to the rights of holders of any series of Preferred Stock, any vacancy or newly created directorship in the Board of Directors, however occurring, shall be filled only by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. A director elected to fill a vacancy shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his or her successor and to such director's earlier death, resignation or removal.

9. Stockholder Nominations and Introduction of Business, Etc. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the By-laws of the Corporation.

10. Amendments to Article. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article NINTH.

TENTH: Stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article TENTH.

ELEVENTH: Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board or the Chief Executive Officer, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least two-thirds of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article ELEVENTH.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation, which restates, integrates and amends the certificate of incorporation of the Corporation, and which has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, has been executed by its duly authorized officer this _____ day of ___________, 2010.

AMERESCO, INC.

By: ____

Name:

Title: President

Exhibit 3.3

AMENDED AND RESTATED BY-LAWS

OF

AMERESCO, INC.

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ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place as may be designated from time to time by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President or, if not so designated, at the principal office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President (which date shall not be a legal holiday in the place where the meeting is to be held).

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board or the Chief Executive Officer, and may not be called by any other person or persons. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the General Corporation Law of the State of Delaware) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, date and time of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the General Corporation Law of the State of Delaware.

1.5 Voting List. The Secretary shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the holders of a majority in voting power of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-laws by the chairman of the meeting or by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of the State of Delaware by the stockholder or such stockholder's authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority in voting power of the shares of stock of that class or series present or represented at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by law, the Certificate of Incorporation or these By-laws. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.10 Nomination of Directors.

(a) Except for (1) any directors entitled to be elected by the holders of preferred stock, (2) any directors elected in accordance with Section 2.9 hereof by the Board of Directors to fill a vacancy or newly-created directorship or (3) as otherwise required by applicable law or stock exchange regulation, at any meeting of stockholders, only persons who are nominated in accordance with the procedures in this Section 1.10 shall be eligible for election as directors. Nomination for election to the Board of Directors at a meeting of stockholders may be made (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who (x) timely complies with the notice procedures in Section 1.10(b), (y) is a stockholder of record on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such meeting and (z) is entitled to vote at such meeting.

(b) To be timely, a stockholder's notice must be received in writing by the Secretary at the principal executive offices of the corporation as follows: (i) in the case of an election of directors at an annual meeting of stockholders, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that (x) in the case of the annual meeting of stockholders of the corporation to be held in 2011 or (y) in the event that the date of the annual meeting in any other year is advanced by more than 20 days, or delayed by more than 60 days, from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs; or (ii) in the case of an election of directors at a special meeting of stockholders, provided that the Board of Directors, the Chairman of the Board or the Chief Executive Officer has determined, in accordance with Section 1.3, that directors shall be elected at such special meeting and provided further that the nomination made by the stockholder is for one of the director positions that the Board of Directors, the Chairman of the Board or the Chief Executive Officer, as the case may be, has determined will be filled at such special meeting, not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting and (y) the tenth day following the day on which notice of the date of such special meeting was mailed or public disclosure of the date of such special meeting was made, whichever first occurs. In no event shall the adjournment or postponement of a meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the Secretary shall set forth: (A) as to each proposed nominee (1) such person's name, age, business address and, if known, residence address, (2) such person's principal occupation or employment, (3) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among (x) the stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and the respective affiliates and associates of, or others acting in concert with, such stockholder and such beneficial owner, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, or others acting in concert with such nominee(s), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any affiliate or associate thereof or person acting in concert therewith were the "registrant" for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, and (5) any other information concerning such person that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any agreement, arrangement or understanding between or among such stockholder and/or such beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are being made or who may participate in the solicitation of proxies in favor of electing such nominee(s), (4) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner with respect to shares of stock of the corporation, (5) any other information relating to such stockholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (6) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the person(s) named in its notice and (7) a representation whether such stockholder and/or such beneficial owner intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock reasonably believed by such stockholder or such beneficial owner to be sufficient to elect the nominee (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies from stockholders in support of such nomination (and such representation shall be included in any such solicitation materials). Not later than 10 days after the record date for the meeting, the information required by Items (A)(1)-(5) and (B)(1)-(5) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of the record date. In addition, to be effective, the stockholder's notice must be accompanied by the written consent of the proposed nominee to serve as a director if elected. The corporation may require any proposed nominee to furnish such other information as the corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the corporation or whether such nominee would be independent under applicable Securities and Exchange Commission and stock exchange rules and the corporation's publicly disclosed corporate governance guidelines. A stockholder shall not have complied with this Section 1.10(b) if the stockholder (or beneficial owner, if any, on whose behalf the nomination is made) solicits or does not solicit, as the case may be, proxies in support of such stockholder's nominee in contravention of the representations with respect thereto required by this Section 1.10.

(c) The chairman of any meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions of this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 1.10), and if the chairman should determine that a nomination was not made in accordance with the provisions of this Section 1.10, the chairman shall so declare to the meeting and such nomination shall not be brought before the meeting.

(d) Except as otherwise required by law, nothing in this Section 1.10 shall obligate the corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the corporation or the Board of Directors information with respect to any nominee for director submitted by a stockholder.

(e) Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination, such nomination shall not be brought before the meeting, notwithstanding that proxies in respect of such nominee may have been received by the corporation. For purposes of this Section 1.10, to be considered a "qualified representative of the stockholder", a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of stockholders.

(f) For purposes of this Section 1.10, "public disclosure" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

1.11 Notice of Business at Annual Meetings.

(a) At any annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (2) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (3) properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, (i) if such business relates to the nomination of a person for election as a director of the corporation, the procedures in Section 1.10 must be complied with and (ii) if such business relates to any other matter, the business must constitute a proper matter under Delaware law for stockholder action and the stockholder must (x) have given timely notice thereof in writing to the Secretary in accordance with the procedures in Section 1.11(b), (y) be a stockholder of record on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such annual meeting and (z) be entitled to vote at such annual meeting.

(b) To be timely, a stockholder's notice must be received in writing by the Secretary at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that (x) in the case of the annual meeting of stockholders of the corporation to be held in 2011 or (y) in the event that the date of the annual meeting in any other year is advanced by more than 20 days, or delayed by more than 60 days, from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an annual meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the Secretary shall set forth: (A) as to each matter the stockholder proposes to bring before the annual meeting (1) a brief description of the business desired to be brought before the annual meeting, (2) the text of the proposal (including the exact text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the By-laws, the exact text of the proposed amendment), and (3) the reasons for conducting such business at the annual meeting, and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is being made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any material interest of such stockholder or such beneficial owner and the respective affiliates and associates of, or others acting in concert with, such stockholder or such beneficial owner in such business, (4) a description of any agreement, arrangement or understanding between or among such stockholder and/or such beneficial owner and any other person or persons (including their names) in connection with the proposal of such business or who may participate in the solicitation of proxies in favor of such proposal, (5) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner with respect to shares of stock of the corporation, (6) any other information relating to such stockholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the business proposed pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (7) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting and (8) a representation whether such stockholder and/or such beneficial owner intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies from stockholders in support of such proposal (and such representation shall be included in any such solicitation materials). Not later than 10 days after the record date for the meeting, the information required by Items (A)(3) and (B)(1)-(6) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of the record date. Notwithstanding anything in these By-laws to the contrary, no business shall be conducted at any annual meeting of stockholders except in accordance with the procedures in this Section 1.11; provided that any stockholder proposal which complies with Rule 14a-8 of the proxy rules (or any successor provision) promulgated under the Exchange Act and is to be included in the corporation's proxy statement for an annual meeting of stockholders shall be deemed to comply with the notice requirements of this Section 1.11. A stockholder shall not have complied with this Section 1.11(b) if the stockholder (or beneficial owner, if any, on whose behalf the proposal is made) solicits or does not solicit, as the case may be, proxies in support of such stockholder's proposal in contravention of the representations with respect thereto required by this Section 1.11.

(c) The chairman of any annual meeting shall have the power and duty to determine whether business was properly brought before the annual meeting in accordance with the provisions of this Section 1.11 (including whether the stockholder or beneficial owner, if any, on whose behalf the proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's proposal in compliance with the representation with respect thereto required by this Section 1.11), and if the chairman should determine that business was not properly brought before the annual meeting in accordance with the provisions of this Section 1.11, the chairman shall so declare to the meeting and such business shall not be brought before the annual meeting.

(d) Except as otherwise required by law, nothing in this Section 1.11 shall obligate the corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the corporation or the Board of Directors information with respect to any proposal submitted by a stockholder.

(e) Notwithstanding the foregoing provisions of this Section 1.11, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present business, such business shall not be considered, notwithstanding that proxies in respect of such business may have been received by the corporation.

(f) For purposes of this Section 1.11, the terms "qualified representative of the stockholder" and "public disclosure" shall have the same meaning as in Section 1.10.

1.12 Conduct of Meetings.

(a) Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(c) The chairman of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(d) In advance of any meeting of stockholders, the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.

1.13 <u>No Action by Consent in Lieu of a Meeting</u>. Stockholders of the corporation may not take any action by written consent in lieu of a meeting.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the corporation shall be established by the Board of Directors. Election of directors need not be by written ballot. Directors need not be stockholders of the corporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors and, if the Chairman of the Board is also designated as the corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these By-laws. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

2.4 Classes of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the Board of Directors shall be and is divided into three classes: Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The allocation of directors among classes shall be determined by resolution of the Board of Directors.

2.5 Terms of Office. Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at the corporation's first annual meeting of stockholders held after the effectiveness of these Amended and Restated By-laws; each director initially assigned to Class II shall serve for a term expiring at the corporation's second annual meeting of stockholders held after the effectiveness of these Amended and Restated By-laws; and each director initially assigned to Class III shall serve for a term expiring at the corporation's third annual meeting of stockholders held after the effectiveness of these Amended and Restated By-laws; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation or removal.

2.6 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board of Directors pursuant to Section 2.2 of these By-laws shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.7 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Incorporation.

2.8 Removal. Subject to the rights of holders of any series of Preferred Stock, directors of the corporation may be removed only for cause and only by the affirmative vote of the holders of at least 75% of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors.

2.9 Vacancies. Subject to the rights of holders of any series of Preferred Stock, any vacancy or newly-created directorship on the Board of Directors, however occurring, shall be filled only by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. A director elected to fill a vacancy shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of a successor or until such director's earlier death, resignation or removal.

2.10 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.11 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.12 Special Meetings. Special meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board, the Chief Executive Officer, the President, two or more directors, or by one director in the event that there is only a single director in office.

2.13 Notice of Special Meetings. Notice of the date, place and time of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person or by telephone at least 24 hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile or electronic transmission, or delivering written notice by hand, to such director’s last known business, home or electronic transmission address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director’s last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.14 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board of Directors or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.15 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent to the action in writing or by electronic transmission, and the written consents or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.16 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these By-laws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.17 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, each officer shall hold office until such officer's successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office.

Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is elected and qualified, or until such officer's earlier death, resignation or removal.

3.7 President; Chief Executive Officer. Unless the Board of Directors has designated another person as the corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.12 Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any shares of the authorized capital stock of the corporation held in the corporation's treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation's stock shall be uncertificated shares. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these By-laws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of General Corporation Law of the State of Delaware, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Shares of stock of the corporation shall be transferable in the manner prescribed by law and in these By-laws. Transfers of shares of stock of the corporation shall be made only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require.

Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

4.6 Regulations. The issue, transfer, conversion and registration of shares of stock of the corporation shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE V

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these By-laws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-laws.

5.8 Pronouns. All pronouns used in these By-laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE VI

AMENDMENTS

These By-laws may be altered, amended or repealed, in whole or in part, or new By-laws may be adopted by the Board of Directors or by the stockholders as provided in the Certificate of Incorporation.

Exhibit 4.1

NUMBER

AA

SHARES

AMERESCO

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS

This Certifies that

CUSIP 02361E 10 8

is the owner of

FULLY PAID AND NONASSESSABLE SHARES OF CLASS A COMMON STOCK, $0.0001 PAR VALUE PER SHARE, OF

AMERESCO, INC.

transferable on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated

VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND TREASURER

AMERESCO, INC. 2000 DELAWARE

PRESIDENT AND CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(New York, NY)
TRANSFER AGENT AND REGISTRAR

BY:

AUTHORIZED SIGNATURE

A statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights as established, from time to time, by the Certificate of Incorporation of the Corporation and by any certificate of determination, the number of shares constituting each class and series, and the designations thereof, may be obtained by the holder hereof upon request and without charge at the principal office of the Corporation.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common
TEN ENT — as tenants by the entireties
JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — ______ Custodian ______
(Cust) (Minor)
under Uniform Gifts to Minors
Act ______________
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, ______________________________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

____

____

____ Shares
of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

____ Attorney
to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated ____

X ____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By ____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCK-BROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

Exhibit 10.10

AMERESCO, INC.

2010 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this 2010 Stock Incentive Plan (the "***Plan***") of Ameresco, Inc., a Delaware corporation (the "***Company***"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "***Company***" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "***Code***") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "***Board***").

2. Eligibility

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as such terms are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended (the "***Securities Act***"), or any successor form) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a "***Participant***." "***Award***" means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "***Committee***"). During such time as the Class A common stock, $0.001 par value per share, of the Company (the "***Class A common stock***") is registered under the Securities Exchange Act of 1934 (the "***Exchange Act***"), the Board shall appoint one such Committee of not less than two members, each member of which shall be an "independent director" within the meaning of any stock exchange on which the Company lists the Class A common stock, an "outside director" within the meaning of Section 162(m) of the Code and a "non-employee director" as defined in Rule 16b-3 under the Exchange Act. All references in the Plan to the "***Board***" shall mean the Board or a Committee of the Board to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

4. Stock Available for Awards

(a) Number of Shares; Share Counting.

(1) Authorized Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan (any or all of which Awards may be in the form of Incentive Stock Options, as defined in Section 5(b)) for up to 10,000,000 shares of Class A common stock. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(2) Share Counting. For purposes of counting the number of shares available for the grant of Awards under the Plan:

(A) all shares of Class A common stock covered by SARs shall be counted against the number of shares available for the grant of Awards under the Plan; *provided, however*, that (i) SARs that may be settled only in cash shall not be so counted and (ii) if the Company grants an SAR in tandem with an Option for the same number of shares of Class A common stock and provides that only one such Award may be exercised (a "***Tandem SAR***"), only the shares covered by the Option, and not the shares covered by the Tandem SAR, shall be so counted, and the expiration of one in connection with the other's exercise will not restore shares to the Plan;

(B) if any Award (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Class A common stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or (ii) results in any Class A common stock not being issued (including as a result of an SAR that was settleable either in cash or in stock actually being settled in cash), the unused Class A common stock covered by such Award shall again be available for the grant of Awards; *provided, however*, that (1) in the case of Incentive Stock Options, the foregoing shall be subject to any limitations under the Code, (2) in the case of the exercise of an SAR, the number of shares counted against the shares available under the Plan and against the sublimits listed in the first clause of this Section 4(a)(2) shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise and (3) the shares covered by a Tandem SAR shall not again become available for grant upon the expiration or termination of such Tandem SAR; and

(C) shares of Class A common stock delivered (either by actual delivery, attestation, or net exercise) to the Company by a Participant to (i) purchase shares of Class A common stock upon the exercise of an Award or (ii) satisfy tax withholding obligations (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards.

(b) Section 162(m) Per-Participant Limit. Subject to adjustment under Section 9, the maximum number of shares of Class A common stock with respect to which Awards may be granted to any Participant under the Plan shall be 2,000,000 per calendar year. For purposes of the foregoing limit, the combination of an Option in tandem with an SAR shall be treated as a single Award. The per Participant limit described in this Section 4(b) shall be construed and applied consistently with Section 162(m) of the Code or any successor provision thereto, and the regulations thereunder ("***Section 162(m)***").

(c) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a)(1) or any sublimit contained in the Plan, except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Class A common stock (each, an "***Option***") and determine the number of shares of Class A common stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "***Incentive Stock Option***") shall only be granted to employees of Ameresco, Inc., any of Ameresco, Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a "***Nonstatutory Stock Option***." The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price.

(1) The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the Fair Market Value per share of Class A common stock on the date the Option is granted; *provided* that if the Board approves the grant of an Option with an exercise price to be determined on a future date, the exercise price shall be not less than 100% of the Fair Market Value on such future date.

(2) "***Fair Market Value***" of a share of Class A common stock for purposes of the Plan will be determined as follows:

(A) if the Class A common stock trades on a national securities exchange, the closing sale price (for the primary trading session) on the date of grant (or other date for which a determination is being made); or

(B) if the Class A common stock does not trade on any such exchange, the average of the closing bid and asked prices as reported by an authorized OTCBB market data vendor as listed on the OTCBB website (otcbb.com) on the date of grant (or other date for which a determination is being made); or

(C) if the Class A common stock is not publicly traded, the Board will determine the Fair Market Value for purposes of the Plan using any measure of value it determines to be appropriate (including, as it considers appropriate, relying on appraisals) in a manner consistent with the valuation principles under Code Section 409A, except as the Board may expressly determine otherwise.

For any date that is not a trading day, the Fair Market Value of a share of Class A common stock for such date will be determined by using the closing sale price or average of the bid and asked prices, as appropriate, for the immediately preceding trading day and with the timing in the formulas above adjusted accordingly. The Board can substitute a particular time of day or other measure of "closing sale price" or "bid and asked prices" if appropriate because of exchange or market procedures or can, in its sole discretion, use weighted averages either on a daily basis or such longer period as complies with Code Section 409A. The Board has sole discretion to determine the Fair Market Value for purposes of the Plan.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; *provided, however*, that no Option will be granted with a term in excess of 10 years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Class A common stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment Upon Exercise. Class A common stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as may otherwise be provided in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Class A common stock owned by the Participant valued at their Fair Market Value, provided (i) such method of payment is then permitted under applicable law, (ii) such Class A common stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Class A common stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board in its sole discretion, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised, less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the Fair Market Value on the date of exercise;

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of a promissory note of the Participant (other than a Participant who is an officer or director of the Company) to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

6. <u>Stock Appreciation Rights</u>

(a) <u>General</u>. The Board may grant Awards consisting of stock appreciation rights ("***SARs***") entitling the holder, upon exercise, to receive an amount of Class A common stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Class A common stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) <u>Measurement Price</u>. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted; *provided* that if the Board approves the grant of an SAR effective as of a future date, the measurement price shall be not less than 100% of the Fair Market Value on such future date.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Class A common stock ("***Restricted Stock***"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Class A common stock or cash to be delivered at the time such Award vests ("***Restricted Stock Units***") (Restricted Stock and Restricted Stock Units are each referred to herein as a "***Restricted Stock Award***").

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("***Accrued Dividends***") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. "***Designated Beneficiary***" means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, the Participant's estate.

(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Class A common stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one share of Class A common stock. The Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) Dividend Equivalents. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Class A common stock ("***Dividend Equivalents***"). Dividend Equivalents may be paid currently or credited to an account for the Participant, may be settled in cash and/or shares of Class A common stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, in each case to the extent provided in the Award agreement.

8. Other Stock-Based Awards

(a) General. Other Awards of shares of Class A common stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Class A common stock or other property, may be granted hereunder to Participants ("***Other Stock-Based-Awards***"). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Class A common stock or cash, as the Board shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Class A Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Class A common stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the share counting rules and sublimit set forth in Sections 4(a) and 4(b), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share and per-share provisions and the measurement price of each outstanding SAR, (v) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (vi) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Class A common stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Class A common stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "***Reorganization Event***" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Class A common stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Class A common stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(A) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Class A common stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "***Acquisition Price***"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Class A common stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 9(b)(2)(A), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event", then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(A)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(A) if the Reorganization Event constitutes a "change in control event" as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(A), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 9(b)(2)(A)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Class A common stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Class A common stock for each share of Class A common stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Class A common stock); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Class A common stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Class A common stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided*, *however*, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other

agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards

(a) Transferability of Awards. Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided, however*, that the Board may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Class A common stock subject to such Award to such proposed transferee; *provided further*, that the Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant’s legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Class A common stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the

Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Class A common stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however*, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award. Except as otherwise provided in Section 10(i) with respect to Performance Awards or Section 11(d) with respect to actions requiring stockholder approval, the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Class A common stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

(i) Performance Awards.

(1) Grants. Restricted Stock Awards and Other Stock-Based Awards under the Plan may be made subject to the achievement of performance goals pursuant to this Section 10(i) ("***Performance Awards***").

(2) Committee. Grants of Performance Awards to any Covered Employee (as defined below) intended to qualify as "performance-based compensation" under Section 162(m) ("***Performance-Based Compensation***") shall be made only by a Committee (or a subcommittee of a Committee) comprised solely of two or more directors eligible to serve on a committee making Awards qualifying as "performance-based compensation" under Section 162(m). In the case of such Awards granted to Covered Employees, references to the Board or to a Committee shall be treated as referring to such Committee (or subcommittee). "***Covered Employee***" shall

mean any person who is, or whom the Committee, in its discretion, determines may be, a “covered employee” under Section 162(m)(3) of the Code.

(3) Performance Measures. For any Award that is intended to qualify as Performance-Based Compensation, the Committee shall specify that the degree of granting, vesting and/or payout shall be subject to the achievement of one or more objective performance measures established by the Committee, which shall be based on the relative or absolute attainment of specified levels of one or any combination of the following, which may be determined pursuant to generally accepted accounting principles (“***GAAP***”) or on a non-GAAP basis, as determined by the Committee: net income, earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit before or after discontinued operations and/or taxes, revenue, revenue growth, earnings growth, cash flow or cash position, gross margins, stock price, market share, return on total revenue, assets, equity or investment, value of customer contracts signed, improvement of financial ratings, achievement of balance sheet or income statement objectives or total stockholder return. Such goals may reflect absolute entity or business unit performance or a relative comparison to the performance of a peer group of entities or other external measure of the selected performance criteria and may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated. The Committee may specify that such performance measures shall be adjusted to exclude any one or more of (i) extraordinary items, (ii) gains or losses on the dispositions of discontinued operations, (iii) the cumulative effects of changes in accounting principles, (iv) the writedown of any asset, (vi) fluctuation in foreign currency exchange rates, and (vi) charges for restructuring and rationalization programs. Such performance measures: (i) may vary by Participant and may be different for different Awards; (ii) may be particular to a Participant or the department, branch, line of business, subsidiary or other unit in which the Participant works and may cover such period as may be specified by the Committee; and (iii) shall be set by the Committee within the time period prescribed by, and shall otherwise comply with the requirements of, Section 162(m). Awards that are not intended to qualify as Performance-Based Compensation may be based on these or such other performance measures as the Board may determine.

(4) Adjustments. Notwithstanding any provision of the Plan, with respect to any Performance Award that is intended to qualify as Performance-Based Compensation, the Committee may adjust downwards, but not upwards, the cash or number of shares payable pursuant to such Award, and the Committee may not waive the achievement of the applicable performance measures except in the case of the death or disability of the Participant or a change in control of the Company.

(5) Other. The Committee shall have the power to impose such other restrictions on Performance Awards as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for Performance-Based Compensation.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Class A common stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date the Plan is approved by the Company's stockholders (the "***Effective Date***"). No Awards shall be granted under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time provided that (i) to the extent required by Section 162(m), no Award granted to a Participant that is intended to comply with Section 162(m) after the date of such amendment shall become exercisable, realizable or vested, as applicable to such Award, unless and until the Company's stockholders approve such amendment in the manner required by Section 162(m); and (ii) no amendment that would require stockholder approval under the rules of the New York Stock Exchange may be made effective unless and until the Company's stockholders approve such amendment;. In addition, if at any time the approval of the Company's stockholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan. No Award shall be made that is conditioned upon stockholder approval of any amendment to the Plan unless the Award provides that (i) it will terminate or be forfeited if stockholder approval of such amendment is not obtained within no more than 12 months from the date of grant and (2) it may not be exercised or settled (or otherwise result in the issuance of Class A common stock) prior to such stockholder approval.

(e) Authorization of Sub-Plans (including for Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code) (the "***New Payment Date***"), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

Exhibit 10.11

AMERESCO, INC.

Incentive Stock Option Agreement
Granted Under 2010 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by Ameresco, Inc., a Delaware corporation (the "Company"), on __________, 201__ (the "Grant Date"), to __________, an employee of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2010 Stock Incentive Plan (the "Plan"), a total of __________ shares (the "Shares") of Class A common stock, $0.0001 par value per share, of the Company at $__________ per Share.[1] Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on the date one day prior to the tenth anniversary of the Grant Date (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall, to the extent permitted by applicable law, be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this agreement, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 20% of the original number of Shares on the first anniversary of the Grant Date and as to an additional 5% of the original number of Shares at the end of each successive three-month period following the first anniversary of the Grant Date until the fifth anniversary of the Grant Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. To exercise this option, the Participant shall deliver to the Company at its principal office a notice of exercise in a form (which may be electronic) approved by the Company, accompanied by this agreement, and payment in full in the manner provided in the Plan.[2] The Participant may purchase less than the number of shares covered

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1 This must be at least 100% of the fair market value of the Common Stock on the date of grant (or 110% in the case of a Participant that owns more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary (a "10% Shareholder")) for the option to qualify as an incentive stock option (an "ISO") under Section 422 of the Code.

2 If the Board would like the Participant to be eligible to make payment using the forms of payment in clause (3) (delivery of shares) or clause (5) (delivery of a promissory note) of Section 5(f) of the Plan and not have the use of such forms of payment cause this option to lose its ISO status, the additional forms of payment should be

hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment). If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to

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included in this ISO agreement at the date of grant and should be listed here. Furthermore, allowing additional forms of payment after the option has been granted, in certain cases, may cause a new measurement date for accounting purposes, resulting in a charge to earnings.

such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment shall be considered to have been terminated for Cause if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

5. Transfer Restrictions.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

6. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

AMERESCO, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2010 Stock Incentive Plan.

PARTICIPANT:

____

Address: ______________________________

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Exhibit 10.12

AMERESCO, INC.

Director Stock Option Agreement
Granted Under 2010 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by Ameresco, Inc., a Delaware corporation (the "Company"), on _____ , 201__ (the "Grant Date"), to _____, a director of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2010 Stock Incentive Plan (the "Plan"), a total of ______ shares (the "Shares") of Class A common stock, $0.0001 par value per share, of the Company at $______ per Share.[1] Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on the date one day prior to the tenth anniversary of the Grant Date (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this agreement, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

(a) General. This option will become exercisable ("vest") as to 20% of the original number of Shares on each of the five anniversaries of the Grant Date. The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

(b) Acceleration. Notwithstanding Section 2(a), this option shall vest in full immediately prior to a "Change in Control" of the Company (as defined below).

(c) Definition. A "Change in Control" shall mean:

(1) any merger or consolidation in which (i) the Company is a constituent party or (ii) a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation (except, in the case of both clauses (i) and (ii) above, any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least 51% by voting power of the capital stock of (x) the surviving or resulting corporation or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following

1 This must be the fair market value of the Common Stock on the date of grant.

such merger or consolidation, of the parent corporation of such surviving or resulting corporation);

(2) the issuance, sale or transfer, in a single transaction or series of related transactions, of capital stock representing at least 51% of the voting power of the outstanding capital stock of the Company immediately following such transaction;

(3) the sale of all or substantially all of the assets of the Company; or

(4) a change in the composition of the Board of Directors of the Company (the "Board") that results in the Continuing Directors (as defined below) no longer constituting a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of the Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; *provided, however*, that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board.

3. <u>Exercise of Option</u>.

(a) <u>Form of Exercise</u>. To exercise this option, the Participant shall deliver to the Company at its principal office a notice of exercise in a form (which may be electronic) approved by the Company, accompanied by this agreement, and payment in full in the manner provided in the Plan.[2] The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) <u>Continuous Relationship with the Company Required</u>. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, a director of the Company.

(c) <u>Termination of Director Status</u>. If the Participant ceases to serve as a director of the Company for any reason, then, except as provided in paragraph (d) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the

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2 If the Board would like the Participant to be eligible to make payment using the forms of payment in clause (3) (delivery of shares) or clause (5) (delivery of a promissory note) of Section 5(f) of the Plan and not have the use of such forms of payment cause this option to lose its ISO status, the additional forms of payment should be included in this ISO agreement at the date of grant and should be listed here. Furthermore, allowing additional forms of payment after the option has been granted, in certain cases, may cause a new measurement date for accounting purposes, resulting in a charge to earnings.

Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is a director of the Company, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

4. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

5. Transfer Restrictions.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

6. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

AMERESCO, INC.

By: ____________________________

Name: __________________________

Title: __________________________

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2010 Stock Incentive Plan.

PARTICIPANT:

____

Address: ______________________________

____

Exhibit 10.13

AMERESCO, INC.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") made as of the ___ day of ___, 2010, is entered into by Ameresco, Inc., a Delaware corporation (the "Company"), and __________ (the "Employee").

In consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

1. Effective Date. This Agreement shall become effective upon the closing of the Company's initial underwritten public offering of common stock pursuant to a registration statement under the Securities Act of 1933 pursuant to which the Employee sells shares of common stock of the Company (a "Qualifying IPO") and shall be of no force or effect prior to any such closing. If there is no closing of a Qualifying IPO prior to December 31, 2010, this Agreement shall terminate and be null and void.

2. Term of Employment. The Company hereby agrees to employ the Employee, and the Employee hereby accepts employment with the Company, upon the terms set forth in this Agreement, for the period commencing on the Effective Date and ending [three (3)] years thereafter (such period, as it may be extended, the "Employment Period"), unless sooner terminated in accordance with the provisions of Section 4.

3. Position. The Employee shall serve as ___ or in such other reasonably comparable position as the Company or its Board of Directors (the "Board") may determine from time to time. The Employee shall be subject to the supervision of, and shall have such authority as is delegated to the Employee by, the Board or the Company's Chief Executive Officer ("CEO").

The Employee hereby accepts such employment and agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Board or its designee shall from time to time reasonably assign to the Employee. The Employee agrees to devote his or her entire business time, attention and energies to the business and interests of the Company during the Employment Period. The Employee agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the Company.

4. Compensation and Benefits.

4.1 Salary. The Company shall pay the Employee, in periodic installments in accordance with the Company's customary payroll practices, a base salary at a rate of $____ per annum. Such salary shall be subject to increase but not decrease as determined by the Board or the CEO, provided that such salary may be decreased proportionately with any decrease that is concurrently implemented for all employees of the Company in comparable positions as part of a Company cost reduction program.

4.2 Bonus. The Employee shall be eligible to participate in any annual bonus plan established by the Company for employees in comparable positions.

4.3 Fringe Benefits. The Employee shall be entitled to participate in all bonus and benefit programs that the Company establishes and makes available to its employees, if any, to the extent that Employee's position, tenure, salary, age, health and other qualifications make him or her eligible to participate. The Employee shall be entitled to ___ weeks paid vacation per year, to be taken at such times as may be approved by the Board or the CEO.

4.4 Reimbursement of Expenses. The Company shall reimburse the Employee for all reasonable travel, entertainment and other expenses incurred or paid by the Employee in connection with, or related to, the performance of his or her duties, responsibilities or services under this Agreement, in accordance with policies and procedures, and subject to limitations, adopted by the Company from time to time, and in accordance with the terms set forth on Exhibit B.

4.5 Withholding. All salary, bonus and other compensation payable to the Employee shall be subject to applicable withholding taxes.

5. Termination of Employment Period. The employment of the Employee by the Company pursuant to this Agreement shall terminate upon the occurrence of any of the following:

5.1 Expiration of the Employment Period.

5.2 At the election of the Company, for Cause (as defined on Exhibit A), immediately upon written notice by the Company to the Employee, which notice shall identify the Cause upon which the termination is based.

5.3 At the election of either party, upon not less than two weeks' prior written notice of termination.

5.4 Upon or following the occurrence of an Acquisition Event (as defined on Exhibit A), at the election of the Employee for Good Reason (as defined on Exhibit A), upon at least 30 days' prior written notice to the Company identifying the Good Reason upon which the termination is based, provided that the Company does not cure the basis for such Good Reason within such 30-day period.

5.5 Upon the death or disability of the Employee. As used in this Agreement, the term "disability" shall mean the inability of the Employee, due to a physical or mental disability, for a period of 90 days, whether or not consecutive, during any 360-day period to perform the services contemplated under this Agreement, with or without reasonable accommodation as that term is defined under state or federal law. A determination of disability shall be made by a physician satisfactory to both the Employee and the Company, provided that if the Employee and the Company do not agree on a physician, the Employee and the Company shall each select a physician and these two together shall select a third physician, whose determination as to disability shall be binding on all parties.

6. Effect of Termination; Acquisition Event.

6.1 At-Will Employment. If the Employment Period expires pursuant to Section 2 hereof, then, unless the Company notifies the Employee to the contrary, the Employee shall continue his or her employment on an at-will basis following the expiration of the Employment Period. Such at-will employment relationship may be terminated by either party at any time and shall not be governed by the terms of this Agreement (except for Section 7 hereof).

6.2 Payments Upon Termination. In the event the Employee's employment is terminated pursuant to Section 5, the Company shall pay to the Employee the compensation and benefits otherwise payable to him or her under Section 4 through the last day of his or her actual employment by the Company, together with the payments described in Sections 6.2(a) or (b), as applicable.

(a) If, prior to the occurrence of an Acquisition Event, the Company terminates the employment of the Employee without Cause, the Company shall pay to the Employee, in equal bi-weekly installments, a severance amount equal to one year's annual base salary as of the time of such termination, commencing on the first payroll period following the date the Release (as defined below) becomes effective.

(b) If, upon or following the occurrence of an Acquisition Event, the Company terminates the employment of the Employee without Cause or the Employee terminates his or her employment for Good Reason, the Company shall pay to the Employee, in equal bi-weekly installments, a severance amount equal to one year's annual base salary as of the time of termination, commencing on the first payroll period following the date the Release becomes effective.

6.3 Other. The payment to the Employee of the amounts payable under Sections 6.2(a) or (b) shall be contingent upon the execution and non-revocation by the Employee of a release in a form reasonably acceptable to the Company (the "Release") within 60 days following the date of termination and (ii) shall be subject to the terms and conditions set forth on Exhibit B. Notwithstanding the foregoing, if the 60th day following the date of termination occurs in the calendar year following the Employee's termination, then the payments described under Sections 6.2(a) or (b) shall commence no earlier than January 1 of such subsequent calendar year.

6.4 Survival. The provisions of Section 7 shall survive the termination of this Agreement.

7. Non-Competition and Non-Solicitation.

(a) Subject to Section 7(c) below, Employee agrees that he or she shall not during the Employment Period and shall not during the Non-Compete Period (as defined below) after the termination or expiration of the Employment Period, either directly or indirectly on his or her own behalf or in association with or on behalf of others:

(i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly-held company) that is competitive with the Company's business, including but not limited to any business or enterprise that develops, manufactures, markets, or sells any product or renders any service that competes with any product or service developed, manufactured, marketed, sold or rendered, or planned to be developed, manufactured, marketed, sold or rendered by the Company or any of its subsidiaries while Employee was employed by the Company; or

(ii) directly or indirectly, solicit, entice or induce any employee of the Company to leave the employ of the Company or solicit, entice or induce for employment (whether as an advisor, consultant, independent contractor or otherwise) any person who was an employee of the Company at the time of the termination or cessation of Employee's employment with the Company.

(b) "Non-Compete Period" means the period commencing upon the termination or cessation of Employee's employment with the Company and ending on the later of (i) six months after such termination or cessation of employment and (ii) three (3) years after the closing of the Company's initial underwritten public offering of common stock pursuant to an effective registration statement under the Securities Act of 1933 (an "IPO").

(c) Notwithstanding anything to the contrary herein, Employee shall be bound by the provisions of Section 7(a) following the termination or cessation of employment only if Employee's termination or cessation of employment is voluntary without Good Reason or involuntary for Cause.

(d) The geographic scope of this Section 7 shall extend worldwide to anywhere the Company or any of its subsidiaries: (i) is doing business at the time of termination or cessation of employment; (ii) has done business during the six (6) months prior to the time of termination or cessation of employment; or (iii) has plans to do business as published in any Company business plan at the time of termination or cessation of employment.

(e) Employee agrees that the restrictions in this Agreement are necessary for the protection of the business and goodwill of the Company. Employee further agrees that it would be impossible or inadequate to measure and calculate the Company's damages from any breach of the covenants set forth in Section 7 of this Agreement. Accordingly, Employee agrees that if Employee breaches any of such covenants, the Company will have available, in addition to any other right or remedy available, the right to obtain an injunction from a court of competent jurisdiction restraining such breach or threatened breach and to specific performance of any such provision of this Agreement. Employee further agrees that no bond or other security shall be required in obtaining such equitable relief and Employee consents to the issuance of such injunction and to the ordering of specific performance.

(f) Employee acknowledges that the type and periods of restriction imposed in Section 7 of this Agreement are fair and reasonable and are reasonably required for the protection of the Company and the goodwill associated with the business of the Company. If one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, time, activity or subject so as to be unenforceable at law, Employee agrees that such provision or provisions should be interpreted by the appropriate judicial body by limiting and reducing it or them, for such provision or provisions to be enforceable to the maximum extent allowed under applicable law.

8. Miscellaneous.

8.1 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand, (b) sent by facsimile (with written confirmation of receipt), or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth on the signature page of this Agreement (or to such other addresses and facsimile numbers as a party may designate by notice to the other party).

8.2 Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

8.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, provided, however, that this Agreement does not supercede any Confidential Information, Invention, Non-Solicitation and Non-Competition Agreement, or similar agreement, between the Company (or any subsidiary) and the Employee, which shall remain in full force and effect.

8.4 Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Employee.

8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without reference to the conflicts of laws provisions thereof). Any action, suit or other legal proceeding arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Massachusetts (or, if appropriate, a federal court located within Massachusetts), and the Company and the Employee each consents to the jurisdiction of such a court. The Company and the Employee each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

8.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business, provided, however, that the obligations of the Employee are personal and shall not be assigned by him or her.

8.7 Waivers. No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

8.8 Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

8.9 Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

THE EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS CAREFULLY READ THIS AGREEMENT AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

AMERESCO, INC.

By: ______________________________

Title: ______________________________

Address: ______________________________
____
____

Fax No.: ______________________________

EMPLOYEE

____
Print Name of Employee

____
Signature

Address: ______________________________
____
____

Fax No.: ______________________________

Exhibit A

Definitions

"Acquisition Event" shall have the meaning set forth in the Company's 2000 Stock Incentive Plan, as in effect on the date of this Agreement.

"Cause" shall mean (i) the willful and continued failure by Employee to substantially perform his or her duties with the Company (other than any such failure resulting from his or her incapacity due to physical or mental illness), provided that a written demand for substantial performance has been delivered to Employee by the Company specifically identifying the manner in which the Company believes that Employee has not substantially performed his or her duties and Employee has not cured such failure within 30 days after such demand, or (ii) Employee has willfully engaged in conduct which is demonstrably and materially injurious to the Company, or (iii) Employee has materially violated any provision of this Agreement or the express significant policies of the Company, or (iv) Employee has at any time been convicted of a felony, a crime of moral turpitude, or fraud. For purposes of this definition, no act or failure to act on Employee's part shall be deemed "willful" unless done or omitted to be done by Employee not in good faith and without reasonable belief that such action or omission was in the best interest of the Company.

"Good Reason" shall mean that, without Employee's written consent, the occurrence after an Acquisition Event of any of the following circumstances unless such circumstances are fully corrected prior to the date of termination:

(a) any material reduction in Employee's annual base salary as in effect on the date of this Agreement, or as the same may be increased from time to time; or

(b) any requirement by the Company or of any person in control of the Company that the location at which Employee performs his or her principal duties for the Company be changed to a new location outside a radius of 40 miles from the location at which Employee performs his or her principal duties for the Company at the time of the Acquisition Event.

Exhibit B

Payments Subject to Section 409A

1. Subject to this Exhibit B, any severance payments that may be due under the Agreement shall begin only upon the date of the Employee's "separation from service" (determined as set forth below) which occurs on or after the termination of Employee's employment. The following rules shall apply with respect to distribution of the severance payments, if any, to be provided to Employee under the Agreement, as applicable:

(a) It is intended that each installment of the severance payments under the Agreement provided under shall be treated as a separate "payment" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"). Neither the Company nor Employee shall have the right to accelerate or defer the delivery of any such payments except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of Employee's "separation from service" from the Company, Employee is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments shall be made on the dates and terms set forth in the Agreement.

(c) If, as of the date of Employee's "separation from service" from the Company, Employee is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments due under the Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when Employee's separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A; and

(ii) Each installment of the severance payments due under the Agreement that is not described in this Exhibit B, Section 1(c)(i) and that would, absent this subsection, be paid within the six-month period following Employee's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, Employee's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following Employee's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of payments if and to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation Section 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of Employee's second taxable year following the taxable year in which the separation from service occurs.

2. The determination of whether and when Employee's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Exhibit B, Section 2, "Company" shall include all persons with whom the Company would be considered a single employer as determined under Treasury Regulation Section 1.409A-1(h)(3).

3. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Employee's lifetime (or during a shorter period of time specified in the Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

4. The Company makes no representation or warranty and shall have no liability to Employee or to any other person if any of the provisions of the Agreement (including this Exhibit) are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section..

Exhibit 10.15

Exhibit I

INDEMNIFICATION AGREEMENT

This Agreement is made as of the [ ] day of [ ] 2010, by and between Ameresco, Inc., a Delaware corporation (the "Corporation), and [ ] (the "Indemnitee"), a non-employee director of the Corporation.

WHEREAS, it is essential to the Corporation to retain and attract as directors the most capable persons available, and

WHEREAS, the substantial increase in corporate litigation subjects directors to expensive litigation risks at the same time that the availability of directors' liability insurance has been severely limited, and

WHEREAS, it is now and has always been the express policy of the Corporation to indemnify its directors, and

WHEREAS, the Indemnitee does not regard the protection available under the Corporation's Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve or continue to serve as a director without additional protection, and

WHEREAS, the Corporation desires the Indemnitee to serve, or continue to serve, as a director of the Corporation.

NOW THEREFORE, the Corporation and the Indemnitee do hereby agree as follows:

1. Agreement to Serve. The Indemnitee agrees to serve or continue to serve as a director of the Corporation for so long as the Indemnitee is duly elected or until such time as the Indemnitee tenders a resignation in writing or becomes otherwise incapable of serving due to his or her disability or death.

2. Definitions. As used in this Agreement:

(a) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternative dispute resolution proceeding, administrative hearing or other proceeding, whether brought by or in the right of the Corporation or otherwise and whether of a civil, criminal, administrative or investigative nature, and any appeals therefrom.

(b) The term "Corporate Status" shall mean the status of a person who is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, fiduciary, partner, trustee, member, employee or agent of, or in a similar capacity with, another corporation, partnership, joint venture, trust, limited liability company or other enterprise.

(c) The term "Expenses" shall include, without limitation, attorneys' fees, retainers, court costs, transcript costs, fees and expenses of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with investigations, judicial or administrative proceedings or appeals, but shall not include the amount of judgments, fines or penalties against Indemnitee or amounts paid in settlement in connection with such matters.

(d) The term "Change in Control" shall mean :

(1) any merger or consolidation in which (i) the Corporation is a constituent party or (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation (except, in the case of both clauses (i) and (ii) above, any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least 51% by voting power of the capital stock of (x) the surviving or resulting corporation or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, of the parent corporation of such surviving or resulting corporation);

(2) the issuance, sale or transfer, in a single transaction or series of related transactions, of capital stock representing at least 51% of the voting power of the outstanding capital stock of the Corporation immediately following such transaction;

(3) the sale of all or substantially all of the assets of the Corporation; or

(4) a change in the composition of the Board of Directors of the Corporation (the "Board") that results in the Continuing Directors (as defined below) no longer constituting a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Corporation), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of the Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board.

(e) The term "Special Independent Counsel" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither currently is, nor in the past five years has been, retained to represent: (i) the Corporation or the Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Special Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the

Corporation or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement.

(f) References to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Agreement.

3. Indemnity of Indemnitee. Subject to Sections 6, 7 and 9, the Corporation shall indemnify the Indemnitee in connection with any Proceeding as to which the Indemnitee is, was or is threatened to be made a party (or is otherwise involved) by reason of the Indemnitee's Corporate Status, to the fullest extent permitted by law (as such may be amended from time to time). In furtherance of the foregoing and without limiting the generality thereof:

(a) Indemnification in Third-Party Proceedings. The Corporation shall indemnify the Indemnitee in accordance with the provisions of this Section 3(a) if the Indemnitee was or is a party to or threatened to be made a party to or otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Corporation to procure a judgment in its favor or a Proceeding referred to in Section 6 below) by reason of the Indemnitee's Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith, against all Expenses, judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by or on behalf of the Indemnitee in connection with such Proceeding, if the Indemnitee acted in good faith and in a manner which the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal Proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

(b) Indemnification in Proceedings by or in the Right of the Corporation. The Corporation shall indemnify the Indemnitee in accordance with the provisions of this Section 3(b) if the Indemnitee was or is a party to or threatened to be made a party to or otherwise involved in any Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the Indemnitee's Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith, against all Expenses and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred by or on behalf of the Indemnitee in connection with such Proceeding, if the Indemnitee acted in good faith and in a manner which the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that, if applicable law so provides, no indemnification shall be made under this Section 3(b) in respect of any claim, issue, or matter as to which the Indemnitee shall have been adjudged to be liable to the Corporation, unless, and only to the extent, that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as the Court of Chancery or such other court shall deem proper.

4. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding or in defense of any claim, issue or matter therein (other than a Proceeding referred to in Section 6), the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith. Without limiting the foregoing, if any Proceeding or any claim, issue or matter therein is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to the Indemnitee, (ii) an adjudication that the Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by the Indemnitee, (iv) an adjudication that the Indemnitee did not act in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that the Indemnitee had reasonable cause to believe his or her conduct was unlawful, the Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

5. Indemnification for Expenses of a Witness. To the extent that the Indemnitee is, by reason of the Indemnitee's Corporate Status, a witness in any Proceeding to which the Indemnitee is not a party, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith.

6. Exceptions to Right of Indemnification. Notwithstanding anything to the contrary in this Agreement, except as set forth in Section 10, the Corporation shall not indemnify the Indemnitee in connection with a Proceeding (or part thereof) initiated by the Indemnitee unless (a) the initiation thereof was approved by the Board or (b) the Proceeding was commenced following a Change in Control. Notwithstanding anything to the contrary in this Agreement, the Corporation shall not indemnify the Indemnitee to the extent the Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to the Indemnitee and the Indemnitee is subsequently reimbursed from the proceeds of insurance, the Indemnitee shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement.

7. Notification and Defense of Claim. As a condition precedent to the Indemnitee's right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any Proceeding for which indemnity will or could be sought. With respect to any Proceeding of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such Proceeding, other than as provided below in this Section 7. The Indemnitee shall have the right to employ his or her own counsel in connection with such Proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such Proceeding or (iii) the Corporation shall not in fact have employed counsel to

assume the defense of such Proceeding, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Agreement, and provided that Indemnitee's counsel shall cooperate reasonably with the Corporation's counsel to minimize the cost of defending claims against the Corporation and the Indemnitee. The Corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above. The Corporation shall not be required to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its written consent. The Corporation shall not settle any Proceeding in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. Neither the Corporation nor the Indemnitee will unreasonably withhold or delay their consent to any proposed settlement.

8. Advancement of Expenses. In the event that the Corporation does not assume the defense pursuant to Section 7 of any Proceeding of which the Corporation receives notice under this Agreement, any Expenses actually and reasonably incurred by or on behalf of the Indemnitee in defending such Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding; provided, however, that the payment of such Expenses incurred by or on behalf of the Indemnitee in advance of the final disposition of such Proceeding shall be made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Agreement. Such undertaking shall be accepted without reference to the financial ability of the Indemnitee to make repayment. Any advances and undertakings to repay pursuant to this Section 8 shall be unsecured and interest-free.

9. Procedures.

(a) In order to obtain indemnification or advancement of Expenses pursuant to this Agreement, the Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of Expenses. Any such indemnification or advancement of Expenses shall be made promptly, and in any event within (i) in the case of indemnification under Sections 4, 5 or 9(d) or advancement of Expenses, 30 days after receipt by the Corporation of the written request of the Indemnitee, or (ii) in the case of all other indemnification, 60 days after receipt by the Corporation of the written request of the Indemnitee, unless with respect to requests under this clause (ii) the Corporation determines, by clear and convincing evidence, within the 60-day period referred to above that the Indemnitee did not meet the applicable standard of conduct. Such determination, and any determination that advanced Expenses must be repaid to the Corporation, shall be made as follows:

(x) if a Change in Control shall have occurred, by Special Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee (unless the Indemnitee shall request that such determination be made by the Board, in which case the determination shall be made in the manner provided below in clauses (y)(1) or (y)(2)).

(y) in all other cases, in the discretion of the Board, (1) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the Proceeding ("disinterested directors"), whether or not a quorum, (2) by a committee of disinterested directors designated by a majority vote of disinterested directors, whether or not a quorum, (3) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel in a written opinion to the Board, or (4) by the stockholders of the Corporation.

(b) In the event that a Change in Control shall have occurred and the determination of entitlement to indemnification is to be made by Special Independent Counsel, the Special Independent Counsel shall be selected as provided in this Section 9(b). The Special Independent Counsel shall be selected by the Indemnitee, unless the Indemnitee shall request that such selection be made by the Board. The party making the determination shall give written notice to the other party advising it of the identity of the Special Independent Counsel so selected. The party receiving such notice may, within seven days after such written notice of selection shall have been given, deliver to the other party a written objection to such selection. Such objection may be asserted only on the ground that the Special Independent Counsel so selected does not meet the requirements of "Special Independent Counsel" as defined in Section 2, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Special Independent Counsel. If a written objection is made, the Special Independent Counsel so selected may not serve as Special Independent Counsel unless and until a court has determined that such objection is without merit. If, within 20 days after submission by the Indemnitee of a written request for indemnification, no Special Independent Counsel shall have been selected or if selected, shall have been objected to, in accordance with this paragraph either the Corporation or the Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Corporation or the Indemnitee to the other's selection of Special Independent Counsel and/or for the appointment as Special Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is favorably resolved or the person so appointed shall act as Special Independent Counsel. The Corporation shall pay the reasonable and necessary fees and expenses of Special Independent Counsel incurred in connection with its acting in such capacity. The Corporation shall pay any and all reasonable and necessary fees and expenses incident to the procedures of this paragraph, regardless of the manner in which such Special Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding pursuant to Section 10 of this Agreement, any Special Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner that the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal Proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(d) The Indemnitee shall cooperate with the person, persons or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any Expenses actually and reasonably incurred by the Indemnitee in so cooperating shall be borne by the Corporation (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Corporation hereby indemnifies the Indemnitee therefrom.

10. Remedies. The right to indemnification or advancement of Expenses as provided by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the applicable period referred to in Section 9. Unless otherwise required by law, the burden of proving that indemnification or advancement of Expenses is not appropriate shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's Expenses actually and reasonably incurred in connection with successfully establishing the Indemnitee's right to indemnification, in whole or in part, in any such Proceeding shall also be indemnified by the Corporation.

11. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the Expenses, judgments, fines, penalties or amounts paid in settlement actually and reasonably incurred by or on behalf of the Indemnitee in connection with any Proceeding but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion of such Expenses, judgments, fines, penalties or amounts paid in settlement to which the Indemnitee is entitled.

12. Subrogation. In the event of any payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

13. Term of Agreement. This Agreement shall continue until and terminate upon the later of (a) six years after the date that the Indemnitee shall have ceased to serve as a director or officer of the Corporation or, at the request of the Corporation, as a director, officer, partner, trustee, member, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise or (b) the final termination of all Proceedings pending on the date set forth in clause (a) in respect of which the Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by the Indemnitee pursuant to Section 10 of this Agreement relating thereto.

14. Indemnification Hereunder Not Exclusive. The indemnification and advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may be entitled under the Corporation's Certificate of Incorporation, the Corporation's By-Laws, any other agreement, any vote of stockholders or disinterested directors, the General Corporation Law of Delaware, any other law (common or statutory), or otherwise, both as to action in the Indemnitee's official capacity and as to action in another capacity while holding office for the Corporation. Nothing contained in this Agreement shall be deemed to prohibit the Corporation from purchasing and maintaining insurance, at its expense, to protect itself or the Indemnitee against any expense, liability or loss incurred by it or the Indemnitee in any such capacity, or arising out of the Indemnitee's status as such, whether or not the Indemnitee would be indemnified against such expense, liability or loss under this Agreement; provided that the Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

15. No Special Rights. Nothing herein shall confer upon the Indemnitee any right to continue to serve as an officer or director of the Corporation for any period of time or at any particular rate of compensation.

16. Savings Clause. If this Agreement or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify the Indemnitee as to Expenses, judgments, fines, penalties and amounts paid in settlement with respect to any Proceeding to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the fullest extent permitted by applicable law.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute the original.

18. Successors and Assigns. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of the estate, heirs, executors, administrators and personal representatives of the Indemnitee.

19. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Modification and Waiver. This Agreement may be amended from time to time to reflect changes in Delaware law or for other reasons. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof nor shall any such waiver constitute a continuing waiver.

21. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been given (i) when delivered by hand or (ii) if

mailed by certified or registered mail with postage prepaid, on the third day after the date on which it is so mailed:

(a) if to the Indemnitee, to: [ ]

(b) if to the Corporation, to: Ameresco, Inc.
111 Speen Street
Suite 410
Framingham, MA 01701
Attn: General Counsel
Phone: (617) 526-6000

or to such other address as may have been furnished to the Indemnitee by the Corporation or to the Corporation by the Indemnitee, as the case may be.

22. Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware. The Indemnitee may elect to have the right to indemnification or reimbursement or advancement of Expenses interpreted on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the applicable Proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time such indemnification or reimbursement or advancement of Expenses is sought. Such election shall be made, by a notice in writing to the Corporation, at the time indemnification or reimbursement or advancement of Expenses is sought; provided, however, that if no such notice is given, and if the General Corporation Law of Delaware is amended, or other Delaware law is enacted, to permit further indemnification of the directors and officers, then the Indemnitee shall be indemnified to the fullest extent permitted under the General Corporation Law, as so amended, or by such other Delaware law, as so enacted.

23. Enforcement. The Corporation expressly confirms and agrees that it has entered into this Agreement in order to induce the Indemnitee to continue to serve as a director of the Corporation, and acknowledges that the Indemnitee is relying upon this Agreement in continuing in such capacity.

24. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supercedes all prior agreements, whether oral or written, by any officer, employee or representative of any party hereto in respect of the subject matter contained herein; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled. For avoidance of doubt, the parties confirm that the foregoing does not apply to or limit the Indemnitee's rights under Delaware law or the Corporation's Certificate of Incorporation or the Corporation's By-Laws.

25. Consent to Suit. In the case of any dispute under or in connection with this Agreement, the Indemnitee may only bring suit against the Corporation in the Court of Chancery of the State of Delaware. The Indemnitee hereby consents to the exclusive jurisdiction and venue of the courts of the State of Delaware, and the Indemnitee hereby waives any claim the Indemnitee may have at any time as to forum non conveniens with respect to such venue. The

26. Corporation shall have the right to institute any legal action arising out of or relating to this Agreement in any court of competent jurisdiction. Any judgment entered against either of the parties in any proceeding hereunder may be entered and enforced by any court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Attest:

By: ______________________________

Name: ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

INDEMNITEE:

____

Exhibit 10.18

Exhibit H

INDEMNIFICATION AGREEMENT

This Agreement is made as of the [ ] day of [ ] 2010, by and between Ameresco, Inc., a Delaware corporation (the “Corporation), and [ ] (the “Indemnitee”), an employee director of the Corporation.

WHEREAS, it is essential to the Corporation to retain and attract as directors the most capable persons available, and

WHEREAS, the substantial increase in corporate litigation subjects directors to expensive litigation risks at the same time that the availability of directors’ liability insurance has been severely limited, and

WHEREAS, it is now and has always been the express policy of the Corporation to indemnify its directors, and

WHEREAS, the Indemnitee does not regard the protection available under the Corporation’s Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve or continue to serve as a director without additional protection, and

WHEREAS, the Corporation desires the Indemnitee to serve, or continue to serve, as a director of the Corporation.

NOW THEREFORE, the Corporation and the Indemnitee do hereby agree as follows:

1. Agreement to Serve. The Indemnitee agrees to serve or continue to serve as a director of the Corporation for so long as the Indemnitee is duly elected or until such time as the Indemnitee tenders a resignation in writing or becomes otherwise incapable of serving due to his or her disability or death.

2. Definitions. As used in this Agreement:

(a) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternative dispute resolution proceeding, administrative hearing or other proceeding, whether brought by or in the right of the Corporation or otherwise and whether of a civil, criminal, administrative or investigative nature, and any appeals therefrom.

(b) The term “Corporate Status” shall mean the status of a person who is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, fiduciary, partner, trustee, member, employee or agent of, or in a similar capacity with, another corporation, partnership, joint venture, trust, limited liability company or other enterprise.

(c) The term “Expenses” shall include, without limitation, attorneys’ fees, retainers, court costs, transcript costs, fees and expenses of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with investigations, judicial or administrative proceedings or appeals, but shall not include the amount of judgments, fines or penalties against Indemnitee or amounts paid in settlement in connection with such matters.

(d) The term "Change in Control" shall mean :

(1) any merger or consolidation in which (i) the Corporation is a constituent party or (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation (except, in the case of both clauses (i) and (ii) above, any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least 51% by voting power of the capital stock of (x) the surviving or resulting corporation or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, of the parent corporation of such surviving or resulting corporation);

(2) the issuance, sale or transfer, in a single transaction or series of related transactions, of capital stock representing at least 51% of the voting power of the outstanding capital stock of the Corporation immediately following such transaction;

(3) the sale of all or substantially all of the assets of the Corporation; or

(4) a change in the composition of the Board of Directors of the Corporation (the "Board") that results in the Continuing Directors (as defined below) no longer constituting a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Corporation), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of the Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board.

(e) The term "Special Independent Counsel" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither currently is, nor in the past five years has been, retained to represent: (i) the Corporation or the Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Special Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the

Corporation or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement."

(f) References to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Agreement.

3. Indemnity of Indemnitee. Subject to Sections 6, 7 and 9, the Corporation shall indemnify the Indemnitee in connection with any Proceeding as to which the Indemnitee is, was or is threatened to be made a party (or is otherwise involved) by reason of the Indemnitee's Corporate Status, to the fullest extent permitted by law (as such may be amended from time to time). In furtherance of the foregoing and without limiting the generality thereof:

(a) Indemnification in Third-Party Proceedings. The Corporation shall indemnify the Indemnitee in accordance with the provisions of this Section 3(a) if the Indemnitee was or is a party to or threatened to be made a party to or otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Corporation to procure a judgment in its favor or a Proceeding referred to in Section 6 below) by reason of the Indemnitee's Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith, against all Expenses, judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by or on behalf of the Indemnitee in connection with such Proceeding, if the Indemnitee acted in good faith and in a manner which the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal Proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

(b) Indemnification in Proceedings by or in the Right of the Corporation. The Corporation shall indemnify the Indemnitee in accordance with the provisions of this Section 3(b) if the Indemnitee was or is a party to or threatened to be made a party to or otherwise involved in any Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the Indemnitee's Corporate Status or by reason of any action alleged to have been taken or omitted in connection therewith, against all Expenses and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred by or on behalf of the Indemnitee in connection with such Proceeding, if the Indemnitee acted in good faith and in a manner which the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that, if applicable law so provides, no indemnification shall be made under this Section 3(b) in respect of any claim, issue, or matter as to which the Indemnitee shall have been adjudged to be liable to the Corporation, unless, and only to the extent, that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as the Court of Chancery or such other court shall deem proper.

4. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding or in defense of any claim, issue or matter therein (other than a Proceeding referred to in Section 6), the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith. Without limiting the foregoing, if any Proceeding or any claim, issue or matter therein is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to the Indemnitee, (ii) an adjudication that the Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by the Indemnitee, (iv) an adjudication that the Indemnitee did not act in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that the Indemnitee had reasonable cause to believe his or her conduct was unlawful, the Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

5. Indemnification for Expenses of a Witness. To the extent that the Indemnitee is, by reason of the Indemnitee’s Corporate Status, a witness in any Proceeding to which the Indemnitee is not a party, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith.

6. Exceptions to Right of Indemnification. Notwithstanding anything to the contrary in this Agreement, except as set forth in Section 10, the Corporation shall not indemnify the Indemnitee in connection with a Proceeding (or part thereof) initiated by the Indemnitee unless (a) the initiation thereof was approved by the Board or (b) the Proceeding was commenced following a Change in Control. Notwithstanding anything to the contrary in this Agreement, the Corporation shall not indemnify the Indemnitee to the extent the Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to the Indemnitee and the Indemnitee is subsequently reimbursed from the proceeds of insurance, the Indemnitee shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement.

7. Notification and Defense of Claim. As a condition precedent to the Indemnitee’s right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any Proceeding for which indemnity will or could be sought. With respect to any Proceeding of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such Proceeding, other than as provided below in this Section 7. The Indemnitee shall have the right to employ his or her own counsel in connection with such Proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such Proceeding or (iii) the Corporation shall not in fact have employed counsel to

assume the defense of such Proceeding, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Agreement, and provided that Indemnitee's counsel shall cooperate reasonably with the Corporation's counsel to minimize the cost of defending claims against the Corporation and the Indemnitee. The Corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above. The Corporation shall not be required to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its written consent. The Corporation shall not settle any Proceeding in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. Neither the Corporation nor the Indemnitee will unreasonably withhold or delay their consent to any proposed settlement.

8. Advancement of Expenses. Subject to the provisions of Section 9, in the event that the Corporation does not assume the defense pursuant to Section 7 of any Proceeding of which the Corporation receives notice under this Agreement, any Expenses actually and reasonably incurred by or on behalf of the Indemnitee in defending such Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding; provided, however, that the payment of such Expenses incurred by or on behalf of the Indemnitee in advance of the final disposition of such Proceeding shall be made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Agreement. Such undertaking shall be accepted without reference to the financial ability of the Indemnitee to make repayment. Any advances and undertakings to repay pursuant to this Section 8 shall be unsecured and interest-free.

9. Procedures.

(a) In order to obtain indemnification or advancement of Expenses pursuant to this Agreement, the Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of Expenses. Any such indemnification or advancement of Expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of the Indemnitee, unless the Corporation determines within such 60-day period that the Indemnitee did not meet the applicable standard of conduct. Such determination, and any determination that advanced Expenses must be repaid to the Corporation, shall be made as follows:

(x) if a Change in Control shall have occurred, by Special Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee (unless the Indemnitee shall request that such determination be made by the Board, in which case the determination shall be made in the manner provided below in clauses (y)(1) or (y)(2)).

(y) in all other cases, in the discretion of the Board, (1) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the Proceeding ("disinterested directors"), whether or not a quorum, (2) by a committee of disinterested directors designated by a majority vote of disinterested directors, whether or not a quorum, (3) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel in a written opinion to the Board, or (4) by the stockholders of the Corporation.

(b) In the event that a Change in Control shall have occurred and the determination of entitlement to indemnification is to be made by Special Independent Counsel, the Special Independent Counsel shall be selected as provided in this Section 9(b). The Special Independent Counsel shall be selected by the Indemnitee, unless the Indemnitee shall request that such selection be made by the Board. The party making the determination shall give written notice to the other party advising it of the identity of the Special Independent Counsel so selected. The party receiving such notice may, within seven days after such written notice of selection shall have been given, deliver to the other party a written objection to such selection. Such objection may be asserted only on the ground that the Special Independent Counsel so selected does not meet the requirements of "Special Independent Counsel" as defined in Section 2, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Special Independent Counsel. If a written objection is made, the Special Independent Counsel so selected may not serve as Special Independent Counsel unless and until a court has determined that such objection is without merit. If, within 20 days after submission by the Indemnitee of a written request for indemnification, no Special Independent Counsel shall have been selected or if selected, shall have been objected to, in accordance with this paragraph either the Corporation or the Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Corporation or the Indemnitee to the other's selection of Special Independent Counsel and/or for the appointment as Special Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is favorably resolved or the person so appointed shall act as Special Independent Counsel. The Corporation shall pay the reasonable and necessary fees and expenses of Special Independent Counsel incurred in connection with its acting in such capacity. The Corporation shall pay any and all reasonable and necessary fees and expenses incident to the procedures of this paragraph, regardless of the manner in which such Special Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding pursuant to Section 10 of this Agreement, any Special Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner that the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal Proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(d) The Indemnitee shall cooperate with the person, persons or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any Expenses actually and reasonably incurred by the Indemnitee in so cooperating shall be borne by the Corporation (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Corporation hereby indemnifies the Indemnitee therefrom.

10. Remedies. The right to indemnification or advancement of Expenses as provided by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the applicable period referred to in Section 9. Unless otherwise required by law, the burden of proving that indemnification or advancement of Expenses is not appropriate shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's Expenses actually and reasonably incurred in connection with successfully establishing the Indemnitee's right to indemnification, in whole or in part, in any such Proceeding shall also be indemnified by the Corporation.

11. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the Expenses, judgments, fines, penalties or amounts paid in settlement actually and reasonably incurred by or on behalf of the Indemnitee in connection with any Proceeding but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion of such Expenses, judgments, fines, penalties or amounts paid in settlement to which the Indemnitee is entitled.

12. Subrogation. In the event of any payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

13. Term of Agreement. This Agreement shall continue until and terminate upon the later of (a) six years after the date that the Indemnitee shall have ceased to serve as a director or officer of the Corporation or, at the request of the Corporation, as a director, officer, partner, trustee, member, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise or (b) the final termination of all Proceedings pending on the date set forth in clause (a) in respect of which the Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by the Indemnitee pursuant to Section 10 of this Agreement relating thereto.

14. Indemnification Hereunder Not Exclusive. The indemnification and advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may be entitled under the Corporation's Certificate of Incorporation, the Corporation's By-Laws, any other agreement, any vote of stockholders or disinterested directors,

the General Corporation Law of Delaware, any other law (common or statutory), or otherwise, both as to action in the Indemnitee's official capacity and as to action in another capacity while holding office for the Corporation. Nothing contained in this Agreement shall be deemed to prohibit the Corporation from purchasing and maintaining insurance, at its expense, to protect itself or the Indemnitee against any expense, liability or loss incurred by it or the Indemnitee in any such capacity, or arising out of the Indemnitee's status as such, whether or not the Indemnitee would be indemnified against such expense, liability or loss under this Agreement; provided that the Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

15. No Special Rights. Nothing herein shall confer upon the Indemnitee any right to continue to serve as an officer or director of the Corporation for any period of time or at any particular rate of compensation.

16. Savings Clause. If this Agreement or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify the Indemnitee as to Expenses, judgments, fines, penalties and amounts paid in settlement with respect to any Proceeding to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the fullest extent permitted by applicable law.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute the original.

18. Successors and Assigns. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of the estate, heirs, executors, administrators and personal representatives of the Indemnitee.

19. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Modification and Waiver. This Agreement may be amended from time to time to reflect changes in Delaware law or for other reasons. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof nor shall any such waiver constitute a continuing waiver.

21. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been given (i) when delivered by hand or (ii) if mailed by certified or registered mail with postage prepaid, on the third day after the date on which it is so mailed:

(a) if to the Indemnitee, to: [ ]

(b) if to the Corporation, to: Ameresco, Inc.
111 Speen Street
Suite 410
Framingham, MA 01701
Attn: General Counsel
Phone: (617) 526-6000

or to such other address as may have been furnished to the Indemnitee by the Corporation or to the Corporation by the Indemnitee, as the case may be.

22. Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware. The Indemnitee may elect to have the right to indemnification or reimbursement or advancement of Expenses interpreted on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the applicable Proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time such indemnification or reimbursement or advancement of Expenses is sought. Such election shall be made, by a notice in writing to the Corporation, at the time indemnification or reimbursement or advancement of Expenses is sought; provided, however, that if no such notice is given, and if the General Corporation Law of Delaware is amended, or other Delaware law is enacted, to permit further indemnification of the directors and officers, then the Indemnitee shall be indemnified to the fullest extent permitted under the General Corporation Law, as so amended, or by such other Delaware law, as so enacted.

23. Enforcement. The Corporation expressly confirms and agrees that it has entered into this Agreement in order to induce the Indemnitee to continue to serve as a director of the Corporation, and acknowledges that the Indemnitee is relying upon this Agreement in continuing in such capacity.

24. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supercedes all prior agreements, whether oral or written, by any officer, employee or representative of any party hereto in respect of the subject matter contained herein; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled. For avoidance of doubt, the parties confirm that the foregoing does not apply to or limit the Indemnitee's rights under Delaware law or the Corporation's Certificate of Incorporation or the Corporation's By-Laws.

25. Consent to Suit. In the case of any dispute under or in connection with this Agreement, the Indemnitee may only bring suit against the Corporation in the Court of Chancery of the State of Delaware. The Indemnitee hereby consents to the exclusive jurisdiction and venue of the courts of the State of Delaware, and the Indemnitee hereby waives any claim the Indemnitee may have at any time as to forum non conveniens with respect to such venue. The Corporation shall have the right to institute any legal action arising out of or relating to this Agreement in any court of competent jurisdiction. Any judgment entered against either of the parties in any proceeding hereunder may be entered and enforced by any court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Attest:

By: ______________________________
Name: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

INDEMNITEE:

____

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. 4 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
June 17, 2010

Exhibit 24.3

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, Douglas I. Foy, a director of Ameresco, Inc. (the “Company”) constitute and appoint George P. Sakellaris, David J. Corrsin and Andrew B. Spence, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for me and in my name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the Company’s Registration Statement on Form S-1, File No. 333-165821, under the Securities Act of 1933 in connection with the Company’s initial public offering and any subsequent registration statements pursuant to Rule 462 of the Securities Act and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Signature	Title	Date
/s/ Douglas I. Foy Douglas I. Foy	Director	June 12, 2010

WILMERHALE

Jason L. Kropp
+1 617 526 6421(t)
+1 617 526 5000(f)
jason.kropp@wilmerhale.com

June 18, 2010

Securities and Exchange Commission
Division of Corporation Finance
100 F Street, NE
450 Fifth Street, N.W.
Mail Stop 4631
Washington, D.C. 20549

Attention: Pamela A. Long, Assistant Director

RE: Ameresco, Inc.
Amendment No. 3 to Form S-1
Filed May 28, 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. 4 ("Amendment No. 4") to the Registration Statement on Form S-1 (File No. 333-165821) (the "Registration Statement") originally filed 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 June 9, 2010 (the "Letter") 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. 4. Page numbers referred to in the responses reference the applicable pages of Amendment No. 4.

General

1. *In addition to filing exhibits with your next amendment, please disclose the principal amount of securities being offered. Please refer to Question and Answer 227.02 in the Securities Act Rules section of our Compliance and Disclosure Interpretations.*

Response: In accordance with the cited interpretation, the Company will insert the total number of shares being offered in a pre-effective amendment prior to distributing a Rule 430A preliminary prospectus.

2. *In calculating the shares outstanding, please explain why you excluded the shares underlying the warrants and options. Please also discuss the proceeds to be received upon the exercise of these securities.*

Response: No shares underlying the warrant will be sold in the offering and the Company is not aware of any present intention by the holder of the warrant to exercise the warrant. As a result, the Company does not believe it is appropriate to include the shares underlying the warrant when calculating shares outstanding.

As to shares underlying options, the Company has revised pages 6, 35, 38 and 114 of Amendment No. 4 to (a) include as post-offering outstanding shares the shares being issued to selling stockholders upon exercise of their options that are being sold by them in the offering, and (b) disclose the weighted-average exercise price of such options. In addition, the Company has revised page 33 of Amendment No. 4 to disclose the proceeds to be received by the Company from the exercise of such options.

3. *Please clarify whether the shares underlying the warrants and options being offered are part of the firm commitment underwriting arrangement or will be offered on a delayed and continuous basis by the selling stockholders.*

Response: The Company has revised page 6 of Amendment No. 4 in response to this comment.

4. *Please be advised that we are reviewing your request for confidential treatment and may issue comments in a separate letter. Any request for acceleration of this registration statement will be contingent upon resolving any comments on this application.*

Response: The Company acknowledges the Staff's comment and will address any such comments when received.

Cover page of the Prospectus

5. *Please include disclosure regarding the degree of voting control your Chief Executive Officer will have following this offering.*

Response: The Company has revised the cover page of the prospectus contained in Amendment No. 4 in response to this comment.

Management's Discussion and Analysis, page 42

6. *We have read your response to comment 3 in our letter dated May 20, 2010, and have reviewed the supplemental CODM reports provided to us. Based on these reports and what you have told us in your response letters, it remains unclear to us that you operate and report in only one segment. It appears each of the areas of responsibility included in the CODM reports constitutes an operating segment because they meet the requirements of the definition at ASC Topic 280-10-50-1, as follows: i) they engage in business activities from which they earn revenues and incur expenses; ii) the CODM regularly reviews them, despite your indication that he does not do so to assess performance and allocate resources; and iii) they constitute discrete financial information because certain widely-used financial measures are presented. Therefore, please address the following:*

- *You have told us there are 17 areas of responsibility. However, the CODM reports appear to present 33 such areas. Please explain/reconcile.*
- *We note that the three largest regional areas of responsibility by annual sales have materially different revenue growth rates, gross margins, operating margins and net margins in 2008 and 2009. However, you have told us there is "nothing inherently different in the economic characteristics from project to project or product to product" and that "prices and margins may vary from time to time...due to variables such as timing of implementation..." If any such differences are in fact only temporary, then please address these economic disparities in 2008 and 2009 and explain to us how you have assessed that the areas of responsibility are economically similar. Otherwise, we believe you have at least three reportable segments based on the guidance in ASC Topic 280-10-50-12.*

Response: The Company has revised pages 42, 50, 57, 58, 59, 61, F-17, F-33, F-48 and F-54 of Amendment No. 4 in response to this comment.

Specifically, the Company has included disclosure of corporate operating expenses not specifically allocated to the reported segments. The Company has also disclosed the income before taxes not allocated to any segment and presented as all other, excluding these unallocated corporate operating expenses. Using the fiscal year 2009 as an example, that disclosure was calculated as follows:

Loss before taxes — all other	$ (3,771,927)
Unallocated corporate operating expenses	25,090,295
Income before taxes and unallocated corporate expenses	$21,318,368

Critical Accounting Policies and Estimates, page 46

7. *Please revise your section on derivative financial instruments on page 49 accordingly to reflect the new interest rate swap entered into during the first quarter of 2010 as discussed on page F-46. In this regard, we note in particular your statement that you do not designate your derivatives as cash flow hedges. However, this new interest rate swap has been designated as a cash flow hedge and has met the requirements to be accounted*

for under the short-cut method. Please revise the related disclosure on the derivative instruments discussion on page 64 as appropriate as well.

Response: The Company has revised pages 49 and 67 of Amendment No. 4 in response to this comment.

Project Financing, page 60

8. *We have read your response to comment 6 in our letter dated May 20, 2010 and the revisions made on page 63. Please revise your filing to state the actual financial and/or operational covenant(s) that may have been violated as a result of the $5.0 million term loan being in default. Also disclose the implications of any such violation(s).*

Response: The Company has revised page 65 of Amendment No. 4 in response to this comment.

Principal and Selling Stockholder, page 107

9. *Please briefly describe the transactions in which the selling shareholders acquired their shares.*

Response: The Company has included additional information on pages 110 through 113 of Amendment No. 4 regarding the methods by which the selling stockholders acquired their shares. The Company also confirms to the Staff that none of the selling stockholders are, or are affiliates of, broker-dealers.

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If you require additional information, please telephone either the undersigned at (617) 526-6421, or Mark G. Borden at (617) 526-6675.

Very truly yours,

/s/ Jason L. Kropp

Jason L. Kropp