



SMALL BUSINESS POLLUTION PREVENTION ASSISTANCE LOAN PROGRAM

(Authority: Part 145, PA 451 of 1994, as amended. Completion of this agreement is mandatory to be considered for a loan.)

Supplemental Agreement

(Please print with black ink or type all information.)

This Small Business Pollution Prevention Loan Program Supplemental Agreement (the "Supplemental Agreement"), dated as of _____, _____, is between the Michigan Department of Environmental Quality (the "MDEQ") and _____ (the "Borrower") with respect to the Small Business Loan Program provided for in Part 145, Waste Reduction, R324.14501 to R324.14508, promulgated under P.A. 451 of 1994, as amended. The Borrower and the MDEQ agree as follows:

Section 1 The Loan The Borrower is receiving a small business pollution prevention loan (the "Loan") dated as of _____, _____, pursuant to the MDEQ's Small Business Pollution Prevention Loan Program. The Loan is being provided through _____ (the "Lending Institution"). The pollution prevention project to be funded by the Loan is _____ (the "Project").

Section 2 Representations of Borrower To induce the MDEQ to participate in the Loan, the Borrower makes the following representations:

- (a) the Loan documents and this Supplemental Agreement were validly executed by the Borrower and are the valid and binding obligations of the Borrower, as well as any co-maker, guarantor, or endorser for the Loan; and
- (b) the Borrower is a qualifying small business as required in R 324.14503.

Section 3 Borrower Obligations The Borrower shall:

- (a) use Loan proceeds only for pollution prevention Project purposes permitted by R 324.14504 and appropriate and reasonable costs or fees associated with processing the Loan;
- (b) initiate work on the Project within 180 days of signing the Loan documents;
- (c) secure qualified, competent personnel and/or contractors to complete the Project;
- (d) complete the Project within _____ months of signing this Supplemental Agreement;
- (e) notify the MDEQ in writing within 30 days of completion;
- (f) upon completion, operate the Project for pollution prevention purposes;
- (g) within 90 days of completion, submit a final report to the MDEQ, describing the pollution benefits attained, including a demonstration of expected reduction in environmental waste, energy, or water usage, as required by R 324.14508(c);
- (h) obtain MDEQ approval before making any change to the Project;
- (i) maintain Project records and documentation consistent with R 324.14508; and
- (j) operate the Project in accordance with applicable environmental regulations.

SMALL BUSINESS POLLUTION PREVENTION ASSISTANCE LOAN PROGRAM (continued)

Section 4 Events of Default The term "event of default" shall mean any one or more of the following events:

- (a) any event of default under the Loan documents;
- (b) any representation made in this Supplemental Agreement proves to be untrue in any material respect when made; or
- (c) failure by the Borrower to observe any of its obligations specified in this Supplemental Agreement.

Section 5 Remedies Upon an Event of Default Whenever an event of default occurs, the MDEQ, either alone or together with the Lending Institution, may pursue any one or more of the following remedies or any other remedy available at law or in equity:

- (a) declare all or a portion of the principal of, and interest on, the Loan to be immediately due and payable;
- (b) receive a rate of interest on MDEQ's principal share of the Loan equal to the rate of interest paid to the Lending Institution on its principal share of the Loan; or
- (c) file suit to compel compliance with this Supplemental Agreement or the Loan documents.

Section 6 Successor Parties. At any time, the Borrower may substitute any affiliate, subsidiary or successor in interest after a merger or consolidation as the Borrower for this Supplemental Agreement and all other documents related to the Loan. Similarly, any statutory successor or successor agency named in an executive order of the governor may be substituted for the MDEQ in this Supplemental Agreement and all other documents related to the Loan. Each party shall notify the other of a substitution under this section.

BORROWER

BY:

DATE:

TITLE:

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

BY:

DATE:

Chief, Environmental Science and Services Division

TITLE: