

CONDITIONS OF THIS PROPOSAL

All of the following conditions must be met by the Borrower to the complete satisfaction of the Bank:

1. Documentation.

All documentation respecting the Loan, including without limitation the Loan and Security Agreement, all supplements thereto, all security agreements and pledges referred to herein, the guaranty agreement, Uniform Commercial Code financing statements, and such other documents or instruments as the Bank shall require, shall be prepared by the Bank or counsel to the Bank, and such documentation shall be in a form acceptable to the Bank.

2. Expenses.

The Borrower shall pay all costs and expenses incurred by the Bank in connection with the Loan from time to time upon demand, including without limitation, counsel fees incurred in preparing loan documentation, recording and filing fees, liens search fees and all other out-of-pocket expenses and costs in connection with the preparation, negotiation and delivery of this Proposal. The Borrower will reimburse the Bank for these expenses whether or not a closing occurs with respect to the proposed Loan.

3. Adverse Change.

It is understood and agreed that the Bank's issuance of this Commitment is based upon, among other things, the accuracy of (a) the representations and statements made to the Bank by or on behalf of the Borrower and/or Guarantor, and (b) all additional information, representations, exhibits and other matter submitted to the Bank, and that the Bank shall have the option, in addition to other options elsewhere specified, to terminate this Commitment by written notice to the Borrower if there has been any misrepresentation(s) or misstatement(s) or any error(s) in any materials or financial statements delivered by or on behalf of Borrower or the Guarantor if prior to disbursement of the Bank's funds pursuant to the Loans herein described, (i) there has been substantial damage to any of the Collateral, or (ii) Borrower or a Guarantor has become insolvent, bankrupt, deceased or incapacitated, or (iii) Borrower or a Guarantor is in default under an existing loan obligation, or (iv) any representation, statement, exhibit or other materials submitted to the Bank on behalf of the Borrower or Guarantor that has materially adversely changed since the time the information was submitted to the Bank, or (v) that Borrower and/or Guarantor failed to maintain a satisfactory financial condition, or (vi) since the date of the financial statements submitted to the Bank a material adverse change has occurred in the business, assets, obligations, financial condition or business prospects of the Borrower and/or the Guarantor, or with respect to any aspect of the collateral securing the Loan.

4. Closing.

If approved, the closing of the Loan contemplated herein shall occur at such place as the Bank may designate, at such time and date specified by the Bank not later than the Commitment Termination Date (unless extended by the Bank for a period not to exceed thirty days at its sole

option by written notice to Borrower) after the Borrower has complied with all of the terms and conditions of this Commitment.

5. Representations of Borrower.

The Borrower and/or Guarantor represent and warrant that the Borrower and/or Guarantor is a [corporation] [general limited partnership] duly organized, validly existing and in good standing under the laws of the _____ and that each has the [_____] power and authority to execute this Commitment. Each of the Borrower and/or Guarantor has all the power and authority, governmental permits, consents and authorizations necessary to accept this Commitment. Further, the Borrower and/or Guarantor represent and warrant that the execution of this Commitment will not violate any provision of law or regulation of the [Articles of Incorporation or by-laws] [general limited partnership agreement] of Borrower or Guarantor respectively.

6. Confidentiality.

This Proposal is for the Borrower's confidential use only. It may not be disclosed by the Borrower without the Bank's prior written consent to any person (including any financial institution) other than your accountants, attorneys and other advisors, and then only in connection with the transactions contemplated by this Commitment and on a confidential basis.

7. Miscellaneous Conditions.

This Proposal is contingent upon the Bank's approval and the Borrower complying with all of the conditions of this Proposal. The Bank's obligations under this Proposal are subject to the condition that the Borrower and the Guarantor maintain a satisfactory financial condition and that no material adverse change occurs in the business, assets, operations, financial condition or business prospects of the Borrower or the Guarantor, or with respect to any of the collateral of the Loan. The Borrower and the Guarantor will promptly advise the Bank, in writing, of any changes that could materially or adversely affect its financial responsibility. In addition, the Borrower and/or the Guarantor, as the case may be, shall comply with all of the following conditions.

- a. Current financial statements for Borrower and Guarantor must be submitted to the Bank upon execution of the Proposal and be satisfactory to the Bank in its sole discretion. This Proposal is expressly conditioned on there being no material deterioration in Borrower's and/or Guarantor's financial condition at any time prior to the Termination Date.
- b. As a result of further investigation and analysis, the Bank shall impose additional conditions, which reasonably relate to the underlying transaction not contemplated at the time of Proposal. The Borrower and Guarantor agree to provide any other documents reasonably required by the Bank.
- c. This Proposal is subject to Borrower, Guarantor and the Bank entering into appropriate documentation in form and substance acceptable to the Bank and its

counsel, satisfaction of the conditions set forth herein, and those which will be set forth in the loan documentation.

8. Governing Law.

This Commitment shall be governed by and be construed and enforced in accordance with the internal laws of the State of Maryland without reference to conflicts or choice of law principles thereof.

ANY AND ALL DISPUTES ARISING OUT OF OR UNDER THIS PROPOSAL LETTER OR THE LOAN DOCUMENTS SHALL BE LITIGATED IN THE STATE OF MARYLAND. THE BORROWER AND/OR GUARANTOR, IF APPLICABLE, AND THE BANK HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, THE BORROWER AND/OR GUARANTOR AND THE BANK WAIVE ANY RIGHTS THEY MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGE. THE BORROWER AND/OR GUARANTOR ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS PROPOSAL LETTER AND THAT THE BANK WOULD NOT DELIVER THIS PROPOSAL LETTER TO THE BORROWER IF THE WAIVER SET FORTH IN THIS SECTION WERE NOT A PART OF THIS PROPOSAL.

9. Modification; Integration; Third Parties.

No modification or waiver of any of the terms of this Proposal will be valid and binding unless agreed to in writing by the Bank. When endorsed, this Proposal will constitute the entire agreement between the Bank, Guarantor and the Borrower concerning the Loan, and shall replace all prior understandings, statements, negotiations and written materials relating to the Loan. This Proposal is for the Borrower's benefit only, and no other person may obtain any rights or be entitled to rely or claim reliance on this Proposal's terms and conditions. This Proposal may not be assigned by the Borrower, and none of the Borrower's rights under this Proposal may be transferred, without the Bank's prior written consent.

10. Waiver.

Bank's waiver of any breach, or failure to enforce any of the terms and conditions of this Proposal, at any time, shall not in any way affect, limit or waive Bank's right thereafter to enforce and compel strict compliance with every term and condition of the Commitment.

11. Counterparts; Effectiveness.

This Proposal may be executed in counterparts by the different parties on separate counterparts. Each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Proposal.