

(4) "Project costs" may include planning and engineering studies, design and engineering services, and building acquisition and building rehabilitation.

(5) "State-financed research" means research financed in part with the assistance of the State.

(b) Any political subdivision may apply to the Secretary for a loan to finance project costs of rehabilitation of existing buildings for incubators.

(c) The application shall describe the project in such manner and detail as the Secretary may, by regulation, determine and shall include the information set forth in [§ 5-404(a)] § 5-704(A) of this subtitle as it relates to the incubator project, and a complete breakdown of the anticipated costs of the project.

(d) In determining whether or not to approve a loan and the amount of the loan, the Secretary shall consider those factors set forth in [§ 5-404(b)] § 5-704(B) of this subtitle as they relate to the incubator project.

(e) After the investigation the Secretary considers necessary, the Secretary may approve a loan of all or any part of the project costs, not to exceed \$1,500,000 for any 1 incubator, except that in the case of an incubator for which the political subdivision has an executed lease agreement acceptable to the Secretary with at least 1 new business which will be conducting State-financed research as a tenant of the incubator, the loan amount under this subsection shall not exceed \$2,500,000.

(f) On approval of the loan, the Secretary shall enter into a loan agreement with the borrowing political subdivision providing for:

(1) Payment of interest only, at a rate determined by the Secretary in accordance with [§ 5-404(c)(2)(iii)] § 5-704(C)(2)(III) of this subtitle, beginning on the date of the loan and continuing for a period not to exceed 2 years after that date;

(2) Payments of principal and interest, in accordance with an amortization schedule approved by the Secretary, for a period not to exceed 25 years from the end of the interest only payment period;

(3) Repayment of the entire amount due under the loan in the event of sale of the incubator;

(4) At least 30 days' advance notice to the Secretary by the political subdivision of any proposed sale or lease of the incubator;

(5) The political subdivision obtaining the Secretary's written approval of any such sale or lease; and

(6) Regulatory or security provisions, as the Secretary deems appropriate.

(g) The loan agreement shall be recorded among the land records of the political subdivision and shall constitute a lien on the land and improvements.

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