

(Hinesburg logo here)

DATE

Name and Address

Dear _____,

I am pleased to inform you that the Hinesburg Revolving Loan Fund (HRLF) Committee has approved your request for financing under the following conditions:

1. **Borrower:** (legal name of business/borrower)
2. **Loan Amount:** \$XXXXX
3. **Loan Purpose:** (equipment, fit-up, inventory, working capital...)
4. **Interest Rate, Term, and Repayment:** This loan shall bear interest at a fixed rate of X% per annum. The term of the loan shall be X years (Y months)... *(You might also have something like this: with the first year (12 months) interest only followed by a 6-year (72-month) amortization.)* The interest rate and the terms of repayment as set forth in the Promissory Note are controlling.
5. **Application Fee:** An application fee of \$XXX is required to be paid to HRLF. (Paid with application.)
6. **Loan Closing Fee:** Borrower shall pay HRLF a fee of X% of the loan or \$XXX. (Due at closing.)
7. **Loan Documentation Preparation Fee:** Borrower will be responsible for legal fees associated with the preparation of documents by the lender's legal counsel. (Due at closing.)
8. **Collateral:** Borrower shall grant HRLF as security for the loan:
 - a. A subordinate security interest in all business assets of ABC Co., subject to senior security interests held by (other lenders, if applicable).
9. **Guarantors:** Joint and several personal guarantees of business owner name or names.

10. Insurance: Borrower will provide evidence of hazard insurance, in an amount sufficient to cover the replacement of the facility and/or equipment being financed, containing a ten day notice of cancellation with HRLF named as Loss Payee under a Lender's Loss Payable Endorsement.

11. Other Terms and Conditions:

- a. Borrower will provide HRLF with a copy of a current Certificate of Good Standing for the legal entity from the Vermont Secretary of State's Office.
- b. Borrower will provide to HRLF an executed copy of a Corporate Resolution to Borrow and Grant Collateral.
- c. Borrower will provide to HRLF copies of all documents requested by (the senior lenders).

12. No Adverse Change: This commitment may be terminated by HRLF any time prior to closing upon discovery by HRLF of a material adverse change in or misrepresentation or erroneous statements about the proposed project, or in Borrower's position with respect to solvency, credit worthiness, ability to carry out the proposed project, government regulation, or any other material factor. Such termination shall become effective upon the mailing of notice of termination by HRLF by certified mail to Borrower at the address shown on this commitment letter.

13. Other: If the company involved in this loan transaction moves its headquarters or 25% of its full-time equivalent employees out of Hinesburg, then its loan(s) may become immediately due and payable.

This commitment shall be in effect for 90 days commencing on the date prepared, and within this time period a closing shall occur or the commitment will become null and void.

Please sign and date this commitment letter below where indicated and return it to HRLF as soon as possible.

HRLF is pleased to have the opportunity to work with you. If you have any questions, please don't hesitate to contact me.

Best regards,

Signature

Hinesburg Revolving Loan Fund Committee

ACCEPTANCE AND ACKNOWLEDGMENT

We, Owner 1 and Owner 2, do hereby acknowledge receipt of a copy of the aforementioned Commitment Letter of the Hinesburg Revolving Loan Fund in the amount of \$XXXXX and accept and agree to the terms and conditions herein contained.

Dated: _____ By: _____
NAME, Owner

Dated: _____ By: _____
NAME, Owner

Dated: _____ By: _____
NAME, Individual Guarantor

Dated: _____ By: _____
NAME, Individual Guarantor