

SAMPLE LEVERAGE COMMITMENT LETTER

Date _____

Dear _____:

This letter is to advise you that _____ has offered to provide financing in the amount of the \$_____ for the _____ expansion of _____ facility, if \$_____ is made available from the Community Development Assistance Program (CDAP). The expansion should have a total project cost of \$_____ and our loan will be secured by a _____. In order for us to secure a superior lien on the real estate, it will be necessary for _____ to subordinate its existing mortgage on the property.

We have reviewed the financial statement, projections and other data submitted to us and have found the project to be feasible with the participation of CDAP and _____ equity injection from _____. Financial assistance is limited to \$_____ given to factors relating to (collateral coverage ratios, lending limits, etc.).

Our loan for \$_____ would be in the form of a _____ for _____ years at a rate of _____ percent.

This offer is contingent upon the receipt of the CDAP grant to the _____ for this project and a \$_____ equity injection by _____.

The foregoing terms and conditions are not all inclusive for the proposed financing. This offer will expire _____ unless extended by the bank in writing.

Should you have any questions, feel free to contact _____.

Sincerely,