

[Your Name/Company Name]

[Your Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

[Date]

[Recipient Name]

[Recipient Title]

[Borrower Company Name]

[Address]

[City, State, Zip Code]

RE: Letter of Intent for Provision of Subordinated Loan

Dear [Recipient Name],

This Letter of Intent ("LOI") outlines the preliminary terms and conditions under which [Lender Name] ("Lender") proposes to provide a subordinated loan to [Borrower Name] ("Borrower").

- 1. Loan Amount:** The Lender proposes to provide a principal amount of \$[Amount] (the "Loan").
- 2. Interest Rate:** The Loan shall bear interest at a rate of [Percentage]% per annum.
- 3. Maturity Date:** The principal and any accrued interest shall be due and payable on [Date].
- 4. Subordination:** The Loan shall be contractually subordinated in right of payment to all existing and future senior indebtedness of the Borrower. The Lender will execute a formal Subordination Agreement as required by senior creditors.
- 5. Use of Proceeds:** The proceeds of the Loan shall be used specifically for [Purpose of Loan, e.g., working capital, expansion, equipment purchase].
- 6. Repayment Terms:** [Describe repayment schedule, e.g., monthly interest-only payments with a balloon payment at maturity].
- 7. Conditions Precedent:** The provision of the Loan is subject to the completion of satisfactory due diligence, the execution of definitive loan documentation, and approval from the Borrower's senior lenders.
- 8. Exclusivity:** The Borrower agrees to an exclusivity period of [Number] days to finalize this transaction.

9. Non-Binding Nature: Except for the provisions regarding confidentiality and exclusivity, this LOI is non-binding and serves only as an expression of intent. No legal obligation shall arise until definitive agreements are signed by both parties.

If these terms are acceptable, please sign and return a copy of this letter by [Deadline Date].

Sincerely,

[Signature]

[Typed Name]

[Title]

[Lender Company Name]

Accepted and Agreed:

[Name of Authorized Representative]

For [Borrower Company Name]

Date: _____