

[Lender Name]
[Lender Address]
[City, State, Zip Code]

[Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

RE: Commitment Letter for Non-Recourse Construction Financing

Dear [Borrower Contact Name],

[Lender Name] ("Lender") is pleased to advise you that it has approved your request for a non-recourse construction loan (the "Loan") for the project located at [Project Address] (the "Project") subject to the terms and conditions set forth below:

- 1. Loan Amount:** \$[Amount in Figures] ([Amount in Words] Dollars).
- 2. Interest Rate:** [Interest Rate, e.g., SOFR + Spread]% per annum.
- 3. Loan Term:** [Number] months, with [Number] extension options of [Number] months each.
- 4. Non-Recourse Provision:** The Loan shall be non-recourse to the Borrower and its principals. Lender's sole recourse for repayment shall be the Project and related collateral. Notwithstanding the foregoing, the Loan will include standard "bad boy" carve-outs, making the Borrower and Guarantors personally liable for specific acts including fraud, intentional misrepresentation, misappropriation of funds, and voluntary bankruptcy.
- 5. Collateral:** A first-priority mortgage and security interest in the land, improvements, and all personal property associated with the Project.
- 6. Loan-to-Cost (LTC):** Not to exceed [Percentage]% of the total budgeted project costs.
- 7. Fees:** An origination fee of [Percentage]% shall be payable at closing.
- 8. Conditions to Closing:** This commitment is subject to the following:
 - Final approval of construction plans and specifications.
 - Satisfactory appraisal, environmental reports, and title insurance.
 - Execution of a guaranteed maximum price (GMP) contract with an approved general contractor.
 - Evidence of required equity contribution.

9. Expiration: This commitment shall expire if not accepted by [Expiration Date] and if the Loan does not close by [Closing Deadline].

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Signature Block for Lender]

ACCEPTED AND AGREED TO:

[Borrower Name]

By: _____

Name: [Name]

Title: [Title]

Date: [Date]