

[Date]

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

Re: Commitment Letter for Asset Based Revolving Line of Credit

Dear [Contact Name],

We are pleased to inform you that [Lender Name] ("Lender") has approved your request for an Asset Based Revolving Line of Credit ("Facility") subject to the following terms and conditions:

1. Borrower: [Borrower Legal Name]

2. Maximum Facility Amount: \$[Amount]

3. Facility Type: Asset Based Revolving Line of Credit.

4. Borrowing Base: Advances shall be limited to the sum of:

- [Percentage]% of Eligible Accounts Receivable; and
- [Percentage]% of Eligible Inventory (subject to an inventory cap of \$[Amount]).

5. Interest Rate: [Index Name] plus [Margin]% per annum.

6. Maturity Date: [Number] months from the date of closing.

7. Collateral: A first priority perfected security interest in all business assets of the Borrower, including but not limited to Accounts Receivable, Inventory, Equipment, and General Intangibles.

8. Fees:

- Commitment Fee: \$[Amount]
- Unused Line Fee: [Percentage]% per annum
- Collateral Monitoring Fee: \$[Amount] per month

9. Covenants: The Borrower shall maintain [List Financial Covenants, e.g., Fixed Charge Coverage Ratio of X:X]. Borrower shall provide monthly borrowing base certificates and aging reports.

10. Conditions to Closing: This commitment is subject to satisfactory completion of due diligence, including a field examination, appraisal of inventory, and final legal documentation.

This commitment expires on [Expiration Date] if not accepted in writing by the Borrower.

Sincerely,

[Authorized Signatory Name]

[Title]

[Lender Name]

Accepted and Agreed:

By: _____

Name: [Borrower Representative Name]

Title: [Title]

Date: _____