

**[Date]**

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

**Re: Binding Commitment Letter - [Project/Transaction Name] Mezzanine Debt Facility**

Dear [Contact Person Name],

This commitment letter (the "Commitment Letter") sets forth the agreement between [Lender Name] ("Lender") and [Borrower Name] ("Borrower") regarding the terms and conditions under which Lender commits to provide a mezzanine loan facility to the Borrower.

**1. The Facility**

Lender hereby commits to provide a mezzanine debt facility in the aggregate principal amount of up to \$[Amount] (the "Facility"). The proceeds shall be used solely for [Purpose of Loan, e.g., the acquisition and development of the property located at Address].

**2. Principal Terms**

- **Interest Rate:** [Percentage]% per annum, payable monthly.
- **Maturity Date:** [Number] months from the closing date.
- **Collateral:** A first-priority pledge of 100% of the equity interests in [Owner Entity Name].
- **Subordination:** This Facility will be contractually subordinated to the senior debt facility provided by [Senior Lender Name] pursuant to an Intercreditor Agreement.

**3. Conditions to Closing**

The obligation of the Lender to fund the Facility is subject to the satisfaction of the following conditions:

- Execution of definitive loan documentation satisfactory to the Lender.
- Completion of final due diligence with results satisfactory to the Lender.
- Evidence of the closing of the Senior Debt Facility.
- Payment of all applicable commitment and legal fees.

**4. Fees**

The Borrower agrees to pay a commitment fee of [Percentage]% of the Facility amount, payable upon [Execution/Closing].

**5. Exclusivity**

By signing this letter, the Borrower agrees that for a period of [Number] days, it will not negotiate with any other party for a mezzanine debt facility related to this transaction.

## **6. Governing Law**

This Commitment Letter shall be governed by and construed in accordance with the laws of the State of [State Name].

## **7. Expiration**

This offer and commitment will expire unless signed and returned by the Borrower no later than [Time] on [Date].

Sincerely,

[Lender Name]

By: \_\_\_\_\_

Name: [Name]

Title: [Title]

## **ACCEPTED AND AGREED:**

[Borrower Name]

By: \_\_\_\_\_

Name: [Name]

Title: [Title]

Date: [Date]