

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

Re: Commitment Letter for Asset-Based Credit Facility

Dear [Name of Contact Person],

We are pleased to inform you that [Lender Name] ("Lender") hereby commits to provide [Borrower Name] ("Borrower") an Asset-Based Credit Facility (the "Facility") subject to the terms and conditions outlined below:

**1. Facility Amount:** Up to \$[Amount] (the "Commitment").

**2. Facility Type:** Senior Secured Revolving Credit Facility.

**3. Borrowing Base:** Advances will be limited to the sum of:

- [Percentage]% of Eligible Accounts Receivable; and
- [Percentage]% of Eligible Inventory.

**4. Interest Rate:** [Reference Rate, e.g., SOFR/Prime] plus [Margin]% per annum.

**5. Collateral:** A first-priority perfected security interest in all current and future assets of the Borrower, including but not limited to accounts receivable, inventory, equipment, and general intangibles.

**6. Fees:**

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

**7. Financial Covenants:** Borrower shall maintain [List Covenants, e.g., Minimum Fixed Charge Coverage Ratio of X:X].

**8. Conditions Precedent:** This commitment is subject to the following:

- Final approval by Lender's Credit Committee.
- Satisfactory completion of field examination and inventory appraisal.
- Execution of definitive loan documentation.
- No material adverse change in the financial condition of the Borrower.

**9. Expiration:** This commitment will expire on [Date] if not accepted by the Borrower and the required fees paid by such date.

Accepted and Agreed:

For [Lender Name]:

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[Name, Title]

For [Borrower Name]:

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[Name, Title]