

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

[Date]

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

RE: Commitment Letter - Revolving Facility Franchise Development Loan

Dear [Borrower Name],

[Lender Name] ("Lender") is pleased to advise you that your application for a Revolving Facility Franchise Development Loan (the "Loan") has been approved, subject to the following terms and conditions:

- 1. Borrower:** [Full Legal Name of Entity]
- 2. Guarantor(s):** [Names of Personal or Corporate Guarantors]
- 3. Loan Type:** Revolving Credit Facility for Franchise Development and Construction.
- 4. Maximum Facility Amount:** \$[Amount in Figures] ([Amount in Words] Dollars).
- 5. Purpose:** To fund the development, build-out, and equipment procurement of new franchise locations for [Franchise Brand Name].
- 6. Interest Rate:** [Rate, e.g., Prime + X%] per annum, adjusted monthly.
- 7. Commitment Term:** [Number] months from the date of closing.
- 8. Repayment Terms:** Interest-only payments due monthly on the outstanding balance. The facility may be drawn, repaid, and redrawn during the term.
- 9. Collateral:**
 - First priority security interest in all business assets, equipment, and inventory.
 - Leasehold mortgages on specific franchise locations.
 - Assignment of Franchise Agreements.
- 10. Conditions Precedent:**
 - Execution of a formal Loan Agreement and Promissory Note.
 - Receipt and approval of signed Franchise Agreements.

- Evidence of required equity contribution of \$[Amount].
- Satisfactory review of site plans and construction budgets.
- Certificate of Insurance naming Lender as Loss Payee.

11. Fees: An origination fee of [Percentage]% (\$[Amount]) is due upon closing.

12. Expiration: This commitment shall expire if not accepted by [Expiration Date].

Please indicate your acceptance of these terms by signing below and returning this letter to the Lender.

Sincerely,

[Signature]

[Name of Bank Officer]

[Title]

Acceptance:

The undersigned Borrower hereby accepts the terms and conditions set forth in this Commitment Letter.

By: _____

Name: [Name of Authorized Signatory]

Title: [Title]

Date: _____