

SAMPLE COMMITMENT LETTER

Date _____

Loan Officer, Title _____
Lender Name _____
Address _____
City, State & Zip _____

RE: Borrower Name(s)

Dear Loan Officer Name:

Pursuant to the Master Loan Participation Agreement No. _____ dated _____ by and between _____ (the "Lender") and CornerSquare Community Capital, LLC ("CornerSquare"), CornerSquare hereby agrees to purchase a Participation Interest in the following Loan:

Borrower(s):

Borrower Name _____
Address _____
City, State & Zip _____

Guarantor(s):

Guarantor Name _____
Address _____
City, State & Zip _____

The Participation Interest in the Loan is for a total of _____ Dollars and ____ cents (\$ _____ .00) which is _____ percent (____%) of the total Loan amount. This Participation Interest is based on the terms and conditions stated in the Application for Participation submitted by the Lender to CornerSquare.

Among the terms applicable to this Loan are the following:

- a) Loan Number: _____
- b) Total Loan Amount: \$ _____
- c) Lender Portion: \$ _____ *Lender Percentage:* ____%
- d) CornerSquare Portion: \$ _____ *CornerSquare Percentage:* _____%
- e) CornerSquare Offer (\$) for its Portion: \$ _____
- f) Loan Purpose: **The loan proceeds shall be used for the sole purpose of _____ .**
- g) Lender's Loan Rates & Terms:
 - 1. **Interest Rate:** **The Interest Rate will be _____ .**
 - 2. **Lender Fees:** **The Lender will charge the borrower no more than \$ _____ in total closing fees, points, etc.**
 - 3. **Loan & Repayment Terms:** _____ .
 - 4. **Other Terms:** **Those other terms and conditions outlined in the Lender's Loan Commitment Letter issued on _____ .** **The**

Lender's Loan Commitment Letter has been executed by the Lender, Borrower(s) and Guarantor(s), and a copy is attached hereto.

h) Other Terms/Requirements:

- **LENDER:** *Prior to CornerSquare's transfer of the Participation Funds, the Lender is required to provide the following items to CornerSquare:*

1. **Final approval of the loan is subject to a Real Estate Appraisal on the subject property located at _____.**
The Lender must provide CornerSquare with a copy of the approved appraisal and assessment as soon as it is available;
2. **Copies of all Loan closing documents executed on the loan closing date including the Settlement Statement and the Loan Amortization Schedule;**
3. **Copies of all Loan closing documents executed by the Borrower and/or Guarantor for the Loan closing. The Lender also must provide copies of the HUD or Settlement Statement and the Loan Amortization Schedule;**
4. **Copy of Lease Agreement by and between _____, Lessor and _____, Lessee. The Lease term, including options to renew exercisable solely by _____, Lessee, shall be for the duration of the Loan and the monthly Lease payment shall be at least the total amount of the monthly Loan Payment (including Principal and Interest);**
5. **The following ORIGINAL fully executed documents: CornerSquare Commitment Letter to Lender (Exhibit B-1-3), Participation Certificate (Exhibit B-1-4), Borrower Certification (Exhibit B-1-2) and the Application for Participation (Exhibit B-1-1) of the Master Participation Agreement; and**

NOTE: The Borrower Certification **must** be executed by: **A)** Borrower(s), Individually; *(and if applicable)* **B)** Member(s), Manager(s), Owner(s) and/or President of the Real Estate Holding Company and **C)** Member(s), Manager(s), Owner(s) and/or President of the Operating Company. The reporting data requested within the Certification should be that of the Business/Operating Company only.

6. **Copy of the Lender's Wire Transfer instructions, digital loan file document and a Request for Funding in the format requested by CornerSquare.**
- **CornerSquare:**
 1. **CornerSquare's portion of the Lender fees [is/(is not)] waived.**
 2. **In the event of a default, payment to CornerSquare [will be/will not be] subordinate to the Lender.**
 3. **The Lender will repurchase CornerSquare's remaining Participation interest, if any, at one hundred twenty (120) months from the date of the Loan.**
 4. **Those other terms and conditions outlined in the Lender's Loan Commitment Letter issued on _____. The Lender's**

Loan Commitment Letter has been executed by the Lender, Borrower(s) and Guarantor(s), and a copy is attached hereto.

▪ **Prior Liens:**

1. The Loan is subject to the following liens, charges, encumbrances and other participation or security interests:

2. Lender does not authorize CornerSquare to file UCC financing statements.

Any changes to sections a) through f) above must be preapproved by CornerSquare prior to the Loan closing date. The Lender hereby agrees to notify CornerSquare immediately of such changes and agrees to execute the necessary documents to incorporate any changes prior to or after the closing of the Loan.

This commitment, and any subsequent funding of the Participation, is subject to the following contingencies:

1. If the Loan supports a new extension of credit that repays an amount due on a loan or line of credit (including bridge or construction loans funded or partially funded prior to this agreement) that all the following conditions must be met: a. the new loan or line of credit includes the advancement of new monies to a small business borrower (excluding closing costs); b. the new credit supported is based on a new underwriting of the small business's ability to repay and a new approval by the lender/investor; and, c. the new credit has not been extended for the sole purpose of refinancing existing debt owed to that same financial institution lender and new monies advanced must be for a different purpose.
2. Lender shall provide one Note evidencing the full amount of the Loan.
3. In no case will CornerSquare's term of obligation exceed the maturity date as shown on the Note.
4. This purchase of a Participation in such Loan is made pursuant to and shall be governed by the Master Participation Agreement, by and between you and CornerSquare (the "Master Participation Agreement"). All capitalized terms used in this Commitment Letter not otherwise defined herein shall have the meanings ascribed to them in the Master Participation Agreement.
5. As per Section 3 of the Master Participation Agreement, CornerSquare's obligations will cease immediately, notwithstanding this Commitment Letter, without penalty of further payment being required if Funds for the Program are not available (whether they have all been utilized or CornerSquare otherwise does not have access to them).
6. This Commitment Letter does not obligate CornerSquare for an extension of credit beyond the terms as described above. It is mutually understood and agreed that this Commitment Letter and/or the Master Participation Agreement represents the entire understanding between the Lender and CornerSquare regarding the terms applicable to this Participation and that no oral representations or inducements regarding the terms applicable to this Participation that are not included or embodied in this letter or the agreement shall be of any force and effect.
7. Lender is notified that, in any instance where the length of the principal amortization schedule exceeds the number of years of the Loan term to which CornerSquare is committing, thus obligating the Borrower to make a balloon payment at the end of the initial Loan term, CornerSquare is under no obligation, whatsoever, to participate in any financing of said balloon for any future term.
8. After the Lender closes the Loan, the Lender must provide an original Participation Certificate (Exhibit B-1-4 of the Master Participation Agreement) and copies of the Lender's executed Loan Documents as described in Section 1 of the Master Loan Participation Agreement within fifteen (15) business days of closing. Once these documents are received, CornerSquare shall process the Participation Certificate and any other documents necessary to fund its Participation, and then simultaneously or as soon as practicable shall initiate the actions to cause delivery of its Participation Amount to the Lender. The Participation will be considered funded on the date CornerSquare funds

are transferred to the Lender by ACH or other approved method. The Lender will be responsible for the timely processing and application of CornerSquare funds.

- 9. CornerSquare shall provide the Lender with a funds transfer confirmation via email once the transfer of funds has been completed. The Lender shall notify CornerSquare immediately via email or other approved method if the funds transfer confirmation is incorrect.
- 10. Payments will be made via ACH or other approved method to CornerSquare at 4021 Carya Drive, Raleigh, NC 27610 in the method requested by CornerSquare.
- 11. **The Loan must close within sixty (60) days of this Commitment Letter, unless a written extension of time is granted by CornerSquare, otherwise this Commitment Letter will expire.**

This will confirm your acceptance of these conditions. **Pursuant to the Master Loan Participation Agreement, this Commitment Letter will expire thirty (30) days from the date of this letter, unless a written extension is granted by CornerSquare.**

CornerSquare Community Capital looks forward to working with you and your staff on this loan. If you have questions, please feel free to contact _____(Loan Officer)

CORNERSQUARE COMMUNITY CAPITAL, LLC

By: _____
CornerSquare Loan Officer Name

By: _____
CornerSquare Finance and Administration

LENDER NAME

By: _____

Printed Name: _____

Title: _____

Dated: _____