

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION**

CONDITIONAL COMMITMENT FOR GUARANTEE

TO: Lender	Case No.
Lender's Address	State
Borrower	Principal Amount of Loan

From an examination of information supplied by the Lender and other relevant information, it appears that the transaction can properly be completed.

Therefore, the United States of America acting through the Bureau of Reclamation (Reclamation) hereby agrees that, in accordance with applicable provisions of the regulations, it will execute Form 7-2582 "Loan Note Guarantee Agreement," subject to the conditions and requirements specified in 43 CFR 403 and herein.

The Loan Note Guarantee Agreement fee payable by the lender to Reclamation will be in the amount as specified in 43 CFR 403 on the date of this Conditional Commitment for Guarantee. The interest rate for the guaranteed portion of the loan is _____percent . The interest rate for the non-guaranteed portion of the loan is _____percent .1/

A Loan Note Guarantee Agreement will not be issued until the Lender certifies that there has been no adverse change in the Borrower's financial condition, nor any other adverse change in the borrower's condition, for any reason, during the period of time from Reclamation's issuance of this Conditional Commitment for Guarantee to issuance of the Loan Note Guarantee Agreement regardless of the cause or causes of the change and whether the cause or causes were within the Lender's or Borrower's control. The Lender's Certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors executed not more than 60 days before the time of certification. As used in this paragraph only, the term "Borrower" includes any parent, affiliate, or subsidiary of the Borrower.

In the event of the Government's failure to issue a guarantee in a situation where it is found to be in breach, the other party's remedy is limited to a suit for the guaranteed portion of principal and interest which ultimately remains unpaid.

This agreement becomes null and void unless the conditions are accepted by the Lender and Borrower within 60 days from the date of issuance by Reclamation.

Except as set out below, the purposes for which the loan funds will be used and the amounts to be used for such purposes are set out in the Application for Loan Guarantee. Once this instrument is executed and returned to Reclamation, no major change of condition or approved loan purpose as listed on the forms will be considered. Additional Conditions and Requirements including Source and Use of Funds: 2/

If the conditions set forth on this commitment are not met within _____ days from the date of this commitment, Reclamation reserves the right to discontinue the processing of the application and terminate its commitment. If Reclamation decides to terminate this commitment, Reclamation will provide the Lender a written notice at least 14 days prior to termination. 3/

UNITED STATES OF AMERICA

By: _____

Date: _____

(Title)

Paperwork Reduction Act: This information is needed by Reclamation to document the lender's acceptance of Reclamation's conditional commitment to guarantee a loan as described on this form. Response to this request is voluntary; however, without this information Reclamation may not issue a Loan Note Guarantee Agreement. In accordance with the Act, the reporting burden to the public for this form is estimated to average 1 hour per response including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. In accordance with the Act, Reclamation may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid Office of Management and Budget control number. Direct comments regarding the burden estimate or any other aspect of this form to the Bureau of Reclamation, Policy and Program Services, P. O. Box 25007, Denver, CO 80225, or call 303-445-2780.

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ACCEPTANCE OF CONDITIONS

To: Reclamation 4/

The conditions of this Conditional Commitment for Guarantee, including attachments, are acceptable and the undersigned intend to proceed with the loan transaction and request issuance of a Loan Note Guarantee Agreement within _____ days.

(Name of Lender)

Date: _____

By: _____
(Signature for Lender)

Date: _____

(Signature for Borrower)

1/ Insert fixed interest rate.

2/ Insert any additional conditions or requirements in this space or on an attachment referred to in this space; otherwise, insert "NONE."

3/ Reclamation will determine and insert the date by which conditions should be met.

4/ Return completed and signed copy of this form to Reclamation issuing office.