

CONDITIONAL COMMITMENT

Capitalized terms will have the meaning defined in the applicable program regulations.

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 be properly completed.

Therefore, the United States of America acting through the United States Department of Agriculture (USDA) hereby agrees that, in accordance with applicable provisions of the regulations, it will execute Form RD 4279-5, "Loan Note Guarantee," subject to the conditions and requirements specified in the regulations and herein.

The Loan Note Guarantee fee payable by the Lender to USDA will be the amount as specified in the regulations on the date of this Conditional Commitment. The interest rate for the loan is _____ percent. 1/ If a variable rate is used, it must be tied to a published base rate agreed to by the Lender and USDA which cannot change more often than quarterly (for Business and Industry (B&I) Guaranteed Loans).

A Loan Note Guarantee 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 USDA's issuance of this Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether the cause or causes of the change 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 that ultimately remains unpaid.

The purposes for which the loan funds will be used and the amounts to be used for such purposes are set forth in the attachment to this Conditional Commitment. Once this instrument is executed and returned to USDA, no major change of conditions or approved loan purpose will be considered. Additional Conditions and Requirements including Source and Use of Funds are attached. 2/

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

UNITED STATES OF AMERICA

By: _____

Typed or Printed Name: _____

Date: _____

(Title)

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection are 0570-0017, 0570-0050, and 0570-0055. The time required to complete this information is estimated to average 1.5 hours 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.

ACCEPTANCE OF CONDITIONS

To: USDA 4/

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

(Name of Lender)

Date: _____

By: _____
(Signature for Lender)

Date: _____

(Signature for Borrower)

- 1/ Insert fixed interest rate or, if authorized by regulations, the variable interest rate (the published base rate and spread) and the appropriate loan subsidy rate, if applicable.
- 2/ Insert any additional conditions or requirements in the attachment to the Conditional Commitment and attach.
- 3/ USDA will determine and insert the date by which conditions must be met.
- 4/ Return completed and signed copy of this form to USDA issuing office.