### Select Date Commitment Letter is Prepared

Lender Contact Name

Lender Contact Title

Lender Name

Lender Address

Lender City, CA Zip Code

Subject: Commitment Letter for a Credit Facility

Regarding: Borrower Business Name

This Guarantee is a: Click to Select This Guarantee is for a: Click to Select

Dear Lender Contact Name:

Pertinent Facts

### Under the authority granted by Chapter 1 of the California Small Business Financial Development Corporation Law (commencing with Section 14000) of Title 1, Division 3, Part 5, (the “Small Business Act”), the Board of Directors of Click to Select, (“Corporation”) in its capacity as a nonprofit California small business financial development corporation created pursuant to the Small Business Act, , having offices at Click to Select under the delegated lending authority granted on Select Date, conditionally authorized a Guarantee Percentage Spelled-Out **percent** (Guarantee Percentage # **%**) guarantee (the “Guarantee”) on the Click to Select (“Loan”) which has been offered to Auto-Fill (“Borrower”) by Auto-Fill (“Lender”). However, Corporation’s commitment to the Guarantee will expire on Select Date, (no more than 90 days) if the Loan has not been executed by that time. There is no minimum term for a guarantee. The maximum term of any guarantee is seven years, however a loan term may be longer.

### The Loan principal amount is **$**Principal Amount **(**Principal Amount Spelled-Out**)** with a # of months month term. Repayment will consist of # of months months beginning Select Date, of approximately $Payment Amount (Payment Amount Spelled-Out) continuing each month until loan maturity on or before Select Date, or if other than each month, on the payment plan of Click here to enter text. **.** Be advised that a balloon payment does not constitute a default and, therefore, will not activate the loan guarantee. The interest rate is Interest Rate %% until Lender increases or decreases the interest rate based upon individual loan pricing and as changed from time to time by the Lender. The loan proceeds will be used to Description of what loan is funding.

### Corporation shall be paid fees totaling **$**Total Fee Amount **(**Total Fee Amount Spelled-Out**)** consisting of a $Guarantee Fee Amount (Guarantee Fee Amount Spelled-Out) guarantee fee which represents **2.5%** of the guaranteed portion of the Loan and a **$250** (Two Hundred and Fifty and No/100 Dollars) loan documentation fee. Lender agrees to pay these fees at the time the Loan documents are signed, and forward the fees to Corporation immediately.

### If Corporation's Guarantee is a “Collection Guarantee,” then it is defined in the Directives & Requirements Section 5000 of the California Infrastructure and Economic Development Bank (IBank) for the Small Business Finance Center Programs (Directives and Requirements), and is valid and enforceable only against the outstanding Loan principal as of the date of Default (as defined in the Loan Default Procedures issued by the Corporation in connection with the Guarantee of the Loan/Line), minus subsequent payments attributed to principal and up to ninety (90) calendar days of post default interest earned and unpaid. The percentage of interest for which Corporation is liable under its Guarantee shall not exceed the percentage of Guarantee specified in paragraph I, above.

General

1. The Guarantee is conditionally offered and is not legally binding upon Corporation until and unless:
2. Lender executes a written, standard form, promissory note and credit agreement with Borrower for the entire amount of the Loan, with terms and conditions that incorporate those included in this Commitment Letter and the Guarantee executed by Corporation.
3. Lender executes and perfects security agreements as may be required in this Commitment Letter.
4. When utilizing Small Business Loan Guarantee Program funds, Lender shall annually execute the “Lender Certification to Participate in the Small Business Loan Guarantee Program”
5. Other: Add any additional conditions, if applicable. Otherwise, type “n/a”.

Additional Conditions

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These conditions shall be referred to as "conditions for issuance of the Guarantee".

1. Lender agrees to abide by all applicable state and federal laws and regulations.
2. Corporation's Guarantee covers "new debt" with Lender. Any and all balances open on any term loan or other indebtedness of the Borrower to the Lender or others at the time of the Guarantee's execution are not covered and will not be covered by the Guarantee. Lender shall provide Corporation with written confirmation of Borrower's existing debt at the time of the Guarantee’s execution.
3. Lender has analyzed the financial capacity of the Borrower; Lender hereby confirms to Corporation the existence of all assets given as collateral to secure the Loan (Collateral) by personal inspection when possible or if not possible, then from independent third parties. Lender’s representations to Corporation regarding the Borrower and the Borrower’s financial capacity and Collateral are material to the Corporation’s decision to offer the Guarantee of Lender’s Loan to the Borrower notwithstanding any separate evaluation of the Borrower by Corporation.
4. Lender warrants its evaluation of the Collateral securing the Loan to the Borrower provided in the above paragraph and agrees that it shall maintain an accurate record of all accounts of the Borrower to facilitate accessing all of the remedies available to the Lender under the California Uniform Commercial Code.
5. Lender and Corporation agree mutually to deal with one another in good faith in all aspects of their contractual relationship.
6. If the Borrower is delinquent on the Loan payments, Lender shall evaluate all options for collection of the balance due on the Loan. Lender shall send the Borrower two delinquency notification letters at least 30 days apart prior to a Demand, except in the case of the Borrower filing for bankruptcy protection. Should the Loan become sixty (60) days delinquent for payment or otherwise seriously in default, Lender shall develop a liquidation strategy and plan that includes at a minimum an enumeration of the collateral in sufficient detail to identify and value the collateral assets and access the remedies available under the Uniform Commercial Code. A liquidation plan of action shall be submitted to Corporation for its review at the time the Lender accelerates the Loan and demands payment in full from the Borrower.

Collateral

1. Corporation relies, as a pre‑condition for issuance of the Guarantee, on the secured and perfected security interests in the Collateral. Failure by Lender to protect the perfected security interests in the Collateral reduces the value of the Collateral. In the event of any demand by Lender upon the Guarantee (a “Demand”), Corporation shall have the right to reduce its liability under the Guarantee by the amount the Collateral is reduced in value. Corporation is not entitled to reduce its Guarantee liability unless and until Corporation can demonstrate that the value of the Collateral was diminished because of Lender's failure to take all actions necessary to protect the Collateral. Lender further agrees to immediately inform Corporation of any activities which may diminish the value of the Collateral.
2. Lender certifies that all of the Collateral for the Guarantee is listed below in sub‑parts of this paragraph. The actions required by Lender to perfect the security interest are also listed below in the sub‑parts of this paragraph. In all cases, Lender must retain signed, and where customary notarized, originals of the documents listed below.
3. The following insurance policies must be kept in effect with loss payable endorsements to Lender (if applicable).
4. All risk insurance including fire, theft and liability for the business assets identified as follows: Required Not Required

Business Property

Borrower Business Address

Borrower Business Address

Borrower Business Address

Borrower Business Address

1. Fire and extended coverage insurance as follows:

Required Not Required

Personal Property

Borrower Personal Address

Borrower Personal Address

Borrower Personal Address

Borrower Personal Address

The assets shall be insured for full value, but not to exceed replacement cost.

1. A Broad Form UCC financing statement filed with the Secretary of State, and/or any other agency as required by the California Commercial Code evidencing a security interest upon all business accounts receivable, inventory, equipment, furniture and fixtures currently owned or hereafter acquired. Required Not Required

Corporation shall have the right to rely on Lender's perfection of the security interests as described herein under California Law.

It is acknowledged that Lender’s boilerplate language is acceptable and may be substituted in place of this verbiage.

Click here to enter text.

1. A valid Broad Form security interest shall be filed on all business accounts receivable, inventory, equipment, furniture and fixtures currently owned or hereafter acquired. Required Not Required

Corporation shall have the right to rely on Lender's perfection of the security interests in the Collateral as described herein under California Law.

Click here to enter text.

1. Deed of Trust on real property (if applicable): Required Not Required
   * + 1. Lender will execute and record a deed of trust on the property owned by Property Owner, located at Property Address. Lender to obtain an appraisal on the pledged real estate, with a minimum value of **$**Property Value.

Required Not Required

* + - 1. Lender shall verify any senior liens and outstanding indebtedness recorded and otherwise known to Lender on the property listed in D-1.
      2. Lender will execute and record a deed of trust on the property listed in D-1, which will be in Lien Position # and any further Description if applicable.
      3. Lender will provide a Name of Title Report title report verifying the Lien Position # lien position on this loan.

1. Additional Collateral (if applicable)

Additional Collateral

1. Lender shall not substitute assets for Collateral listed in Paragraph XIII, or release, abandon or transfer its security interest or reduce its priority position without the prior written approval of IBank.

Limitations

1. Loan disbursements shall be based upon the following formula:
2. According to Lender’s Specifications.
3. Other: Add any additional conditions, if applicable. Otherwise, type “n/a”.
4. Prior joint written approval of Corporation and Lender shall be required before Borrower can do any of the following:
5. Make or receive outside investments;
6. Borrow, pledge or encumber for additional monies;
7. Enter into a merger of acquisition;
8. Issue treasury stock;
9. Pay Dividends; and
10. Make interest or principal payments on the debts owed to any owners or officers. Lender shall require all such debts to be subordinated to the Loan.

# Lender Reporting

1. Lender agrees to provide Corporation the following information, in writing, on a quarterly basis:
2. Principal balance of the Loan or Line of Credit.
3. Date and amount of last principal payment and interest payment.
4. Date Borrower's next principal payment and interest payment are due.
5. Status of the Loan (i.e., current, paid off).

## Lender agrees to provide Corporation with a copy of annual tax returns of the Borrower, within 30 days of filing date each year.

## **Required Not Required Upon Request**

## Lender agrees to provide Corporation with a copy of quarterly business financial statements, and accounts receivable and accounts payable aging of the Borrower, within 30 days of each quarters end.

## **Required Not Required Upon Request**

1. Lender agrees to provide Corporation with a copy of personal financial statements of the Borrower on the anniversary date of the Loan and personal tax returns of any Guarantor, within 30 days of filing each year.

**Required Not Required** **Upon Request**

1. Additional Reporting Requirements

**Additional Reporting Requirements**

Subsequent Events

1. Lender agrees to work closely with Corporation and the Borrower, and to notify Corporation orally, and in writing, immediately upon learning of any material change to the Loan or to the Borrower. Lender agrees to take reasonable steps to ensure that it is apprised of any material changes to the financial condition and operations of the Borrower.
2. Lender agrees to service the entire Loan, and agrees that the entire Loan will be secured by the same Collateral with equal lien priority for the guaranteed and unguaranteed portions of the Loan. The unguaranteed portion of the Loan will not be paid first or given any preference or priority over the guaranteed portion.
3. Lender agrees to return to Corporation copies of all signed Loan and Guarantee documents within ten (10) working days of signing the documents. Lender further agrees to send to Corporation, conformed or filed, stamped or recorded copies of all perfected security agreements for the Collateral as soon as available.
4. Corporation relies upon Lender to legally perfect all Collateral, to execute and deliver all Loan and Collateral documents, and to ensure satisfaction of all terms and conditions required by the Loan and Guarantee agreements. Lender warrants to Corporation that it has taken all actions necessary to properly prepare and file said documents. This is a condition precedent to the validity of the Guarantee.
5. All disbursements on the Loan shall be evidenced by Lender's standard form of promissory note and credit agreement and the terms and conditions of this Guarantee are to be incorporated into said note and credit agreement.
6. In the event of the filing of a voluntary or involuntary bankruptcy by or against the Borrower, Corporation and Lender agree to cooperate to reach decisions within the time frames required by the Bankruptcy Code and the Bankruptcy Court. This would include decisions involving cash collateral orders, debtor-in-possession financing or attempts to modify the automatic stay to enable Corporation and Lender to realize on the Collateral. Corporation, upon payment under the Guarantee, shall be the owner of the claim against the estate for the purpose of making such decisions.
7. In the event of a Demand, as defined in the Directives and Requirements, Lender shall allow a representative of the California Department of Business Oversight, or other auditor selected by the Corporation, to examine the Lender’s loan files.

Please review the terms and conditions contained herein, and sign as indicated below. Each person signing on behalf of Lender and Corporation warrant that they are authorized to sign on behalf of the organization they represent and bind that organization to the specific performance of the above terms and conditions. Execution of this Commitment Letter by the parties shall constitute a valid and enforceable agreement between the parties, their successors and assigns hereto.

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| Signed this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, \_\_\_\_  Click to Select FDC  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory  Click here to enter text. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Print Name & Title | Signed this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, \_\_\_\_  Auto-Fill  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory  Click here to enter text. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Print Name & Title |