

SAMPLE BANK LETTER

Dear _____:

I am pleased to inform you that this bank has reviewed your loan application and is willing to offer financing for the purchase of land and construction of a new building located at _____, Missouri. This loan approval is contingent upon RMI participating in the permanent financing of this project under the Small Business Administration (SBA) 504 Loan Program, due to: **(Pick one or more of the following options)** (1) Repayment capability requires a maturity period that exceeds bank's policy; (2) Bank's legal lending limit would be exceeded; (3) Bank's liquidity is insufficient without proceeds of a secondary market sale of the loan, which is made possible by participation with SBA; (4) Uniqueness or value of available collateral is unacceptable to the bank; (5) Risk associated with the start-up nature of the business exceeds the bank's normal policy.

We are pleased to offer the following to _____:

Amount: \$ _____
Term: _____
Interest Rate: _____
Collateral: _____
Guarantors: _____

The bank agrees not to:

- (1) allow future advances except advances made for the reasonable costs of collection, maintenance, and protection of the bank's lien;
- (2) be cross-collateralized with other financing provided by the bank;
- (3) have an early call feature;
- (4) be payable on demand unless the bank's note is in default; have a term of less than, or require a balloon payment prior to (seven years if 10 year debenture) or (10 years if 20 year debenture).

The interim financing of \$ _____ (_____ % of the total project cost) will be fully provided by this bank. The interim loan will be for a period of not more than one year, at Prime plus _____.

Sincerely,

Cc: RMI