

LETTER FOR USE IN INFORMING
OTHER LENDERS OF RURAL UTILITIES SERVICE'S COMMITMENT

TO: _____(NAME AND ADDRESS OF LENDER)_____

SUB: INTERIM FINANCING FOR THE ___(Name of Entity)___

The ___(Name of Entity)___ (the "applicant") proposes to sell ___(type of debt instrument)___ in order to obtain interim financing for the construction of a ___(description of project)___ . The ___(debt instrument)___, in the aggregate principal amount of \$_____, is being issued pursuant to a certain ___(authorizing document)___ Resolution adopted by the applicant on ___(Date)___, _____. On the same date the applicant adopted a bond resolution pursuant to which it will issue bonds for permanent financing.

This letter is to confirm certain understandings on behalf of the Rural Utilities Service.

Final plans and specifications have been prepared and approved, bids have been taken and the applicant has awarded the construction contract to the qualified low bidders. It has been determined by the applicant and the Rural Utilities Service that the conditions of a permanent loan closing can be met. Presently, Rural Utilities Service has no reason to believe that such conditions will not be met.

Funds have been obligated for the project by the Rural Utilities Service.

It is proposed by the applicant, with the approval of the Rural Utilities Service, that the proceeds from the purchase of the ___(type of debt instrument)___ will be used to provide for interest on the ___(type of debt instrument)___ to maturity and to pay for construction and other authorized and legally eligible expenses incurred by the applicant upon presentation of proper statements or work estimates approved by the applicant, its authorized representatives, and authorized official of the Rural Utilities Service.

We have scheduled disbursement of the permanent loan to the applicant for no later than ___(Date)___, _____, in immediately available funds, so that funds will be available to pay the ___(type of debt instrument)___ in full upon their maturity on ___(Date)___, _____. Upon meeting the loan conditions, at the permanent loan closing the Rural Utilities Service will disburse the permanent loan by purchasing the applicant's ___(permanent debt instrument)___ issued pursuant to the Bond Resolution.

We appreciate your assistance to the applicant and look forward to working with you on this project.

Sincerely yours,

State Program Official
Rural Utilities Service