

[Company Header/Logo]

[Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

Re: Engagement for Asset-Based Lending Facility

Dear [Contact Person Name],

This letter confirms the engagement of [Lender/Firm Name] ("Lender") by [Borrower Name] ("Borrower") to arrange and provide an asset-based credit facility (the "Facility").

1. Proposed Facility

The Lender proposes to provide a revolving credit facility in the maximum amount of \$[Amount], subject to a borrowing base calculation consisting of eligible accounts receivable and inventory.

2. Due Diligence

The Facility is subject to the completion of a field examination, inventory appraisal, and background checks to the satisfaction of the Lender.

3. Fees and Expenses

The Borrower agrees to pay an engagement fee of \$[Amount] upon signing this letter. This fee is [Refundable/Non-refundable]. Borrower shall also reimburse Lender for all out-of-pocket expenses, including legal fees and appraisal costs, incurred during the underwriting process.

4. Exclusivity

The Borrower agrees that for a period of [Number] days from the date of this letter, it will not negotiate with any other financial institution for a similar credit facility.

5. Confidentiality

Both parties agree to keep the terms of this engagement and any provided financial information confidential, except as required by law.

6. Termination

Either party may terminate this engagement upon written notice. All accrued expenses remains the obligation of the Borrower upon termination.

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Name of Lender Representative]
[Title]
[Lender Name]

Accepted and Agreed:

[Name of Borrower Representative]
[Title]
Date: [Date]