

Fair Factoring Agreement

- 1) Factor and Client ("Parties") as identified below have or are contemplating entering into a factoring or financing arrangement utilizing Client's accounts receivable. As such, it is the intention of Parties to ensure arrangements are fair and equitable. Parties agree Factor should receive repayment of all amounts advanced to Client, plus fees in the normal course of business. Factor agrees Client should have the option of terminating the arrangement without undue burden or cost. For purposes of this Agreement, the normal course of business shall be defined as the results that would have occurred had Client not terminated its financing arrangement and met all terms and conditions.
 - ii) Minimum volumes
 - iii) Minimum agreement term
 - iv) Automatic renewals
 - v) Termination
 - vi) Moving or contemplate moving to another finance source
 - vii) Any other terms or conditions which have the same effect as those listed above
- 2) Factor agrees Client shall be permitted to terminate its agreements with Factor by paying the Payoff Amount to Factor.
 - a) The Payoff Amount shall be defined as:
 - i) The sum of:
 - (1) The amount of the unpaid advances to Client
 - (2) Fees on said advances that would have been paid in the normal course of business
 - ii) Less:
 - (1) Any amounts due Client in the normal course of business which have not been paid or posted to Client's account
 - (2) Any deposits or similar payments made by Client
 - (3) Any unrecorded payments made to Factor on behalf of Client
- 3) Factor agrees that in exchange for receiving the Payoff Amount, there shall be NO penalties or fees assessed for:
 - i) Sign up or setup fees
- 4) Should Client wish to switch to another factoring or financing company, Factor agrees that it will assist in facilitating the transition by:
 - a) Providing to client the Payoff Amount in writing within one (1) business day
 - b) Providing an accurate and up to date copy of aging to Client within one (1) business day
 - c) Continue to fund Client in the normal course of business during the transition period
 - d) Provide a release letter and termination of all liens against Client within one (1) business day of receiving Payoff Amount
- 5) Should the terms of this Agreement come under dispute, all Parties agree that the dispute shall be subject to resolution by the Better Business Bureau. It is agreed should Factor breach this Agreement, it will be liable for damages to Client and any new factoring or financing company involved.
- 6) Should there be any conflict between this Agreement and any other agreement between the Parties, this Agreement shall govern.
- 7) This Agreement shall continue to be in force and effect and may only be terminated or voided by both parties signing the termination section at the end of this Agreement. Any attempt to terminate or void this Agreement by any other means shall be null and void.

FACTOR / FINANCE COMPANY

Company Name

Signature

Date

Name

Title

CLIENT

Company Name

Signature

Date

Name

Title

TERMINATION OF FAIR FACTORING AGREEMENT - by signing below, the Parties hereby agree to terminate this Agreement.

Factor

Date

Client

Date