

**ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS**

Dear prospective client,

Attached please find the Credit Application necessary to commence an account with Abboud Trading Corporation (ATC). We request that you fully complete all sections of the application along with signatures, initials, references and requested documentation. Any omissions may delay the process of establishing an account with ATC and subsequently delay orders and shipments. ATC reserves the right to cancel any orders/shipments pending if the application is not fully executed in time to establish an account.

We request the following documents to be presented with your application:

1. Current Year to Date Financial Statements signed by an officer
2. Audited Financial Statements signed by an officer for the preceding 2 years
3. State issued Tax Exemption Certificate for the current year signed by an officer

Application and supporting documents may be sent to:

ATC – Abboud Trading Corporation  
Attn: Lourdes Idrovo  
1401 NW 88 Avenue  
Miami, Florida 33172  
Phone: 305 471-7755  
Fax: 305 471-6193

ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS

L.I.

1. Date of Application	2. Date Of Incorporation
3. Company (Name, Address, Zip Code, Phone/Fax numbers)  Company Tax ID	4. County, Province, or State of Incorporation and Transactions

5. Directors or Owners

6. Contact Information for Directors or Owners

7. Financial Statements & Tax returns

- Applicant shall submit a copy of their most recent Financial Statement with this Application *with each page initialed.*
- Applicant consents that company may contact applicant's bank to obtain current financial credit information.
- Applicant shall submit a copy of their most recent Federal Income Tax Return *with each page initialed.*

8. Customer's Main Product or Service	9. Number of Years in Operation
---------------------------------------	---------------------------------

10. Management (Names, Mailing Address and Zip Codes of Officers, General Partners or Proprietor)

Hereinafter "Managers"

11. Personal References (Names and Telephone Numbers of at least three individuals who can attest to your business character):

## ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS

12. Credit References (Names and Telephone Numbers of at least five of your credit references)

13. Bank References (Name and Telephone number of bank representative most familiar with you and your company at each bank at which you conduct transactions)

### PERSONAL GUARANTEE

**Please read carefully:** I accept on behalf of the Business named above ("Applicant") the terms and conditions of the Agreement that will be provided to me upon approval of this Application. By initialing and signing below, I certify that I am an Authorized Officer, authorized to submit this application on behalf of the Applicant and that all information and documents provided in connection with this application, including federal and state income tax returns (if any), are true, correct, and complete. I authorize Creditor to obtain balance and payoff information on all accounts requiring payoff as a condition of approving this application and to obtain consumer and business reports from and to report credit information to others, including the Internal Revenue Service and state taxing authorities, about me and the Applicant.

I agree to notify Creditor promptly of any material change in such information. I acknowledge that (i) this application is subject to final approval of the Applicant and its owners, and that (ii) additional information may be required in order for the Creditor to make a final credit decision. I agree to pay Creditor's costs and attorney's fees in enforcing the Agreement.

**I, in my individual capacity**, (even though I may place a title or other designation next to my signature), jointly and severally unconditionally guarantee and promise to pay to Creditor all indebtedness of the Applicant at any time arising under or relating to this application and the Agreement, as well as any extensions, increases, or renewals of that indebtedness. As guarantor, I will notify Creditor of any additional indebtedness incurred by the Applicant, or of any changes in the Applicant's financial condition. I also authorize Creditor, without notice or prior consent, to (i) extend, modify, compromise, accelerate, renew, increase or otherwise change terms of the guaranteed indebtedness; (ii) proceed against one or more guarantors without proceeding against the Applicant or another guarantor; and (iii) release or substitute any Applicant, Co-Applicant and/or any guarantor, I agree (i) I will pay Creditor's costs and attorney's fees in entering this guaranty; and (ii) this guaranty shall benefit the Creditor its successors and assigns.

**Initials :** \_\_\_\_\_

**ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS**

We requests that you answer the questions below and provide any explanatory remarks, which you feel, will be helpful in explaining your answers:

1. Does customer have any lawsuits pending against it or its managers?  If your answer is yes, then list, in the Explanatory Remarks below, (a) the names of the parties to the suit; (b) the court; (c) the amount claimed; and (d) the circumstances of the claim.
2. Have any of customer's managers ever-declared bankruptcy?  If your answer is yes, then give dates in the Explanatory Remarks below.
3. Has customer ever had a tax lien filed against it?  If your answer is yes, list in the Explanatory Remarks below the dates, the amounts, and the types of liens.
4. Does customer or its managers have any judgments of record against them?  If your answer is yes, then list in the Explanatory Remarks below:
  - (a) The name of the judgment creditor;
  - (b) The amount of the judgment;
  - (c) The court in which the judgment is docketed; and
  - (d) The nature of the claim out of which the judgment arose.
5. Is customer in good legal standing with the applicable rules and regulations governing its existence?  If your answer is no, explain in the Explanatory Remarks below the rule or regulation allegedly violated and the steps taken to correct the alleged violation.

Explanatory Remarks (if additional space is needed, attach an addendum sheet to this application):

I certify that I have inserted true and correct information and answers on this Application and the Documents Submitted with the Application; that I have read both the printed and written portions of this Application; that I have submitted, received and read the Documents Submitted with this Application; and that the Creditor may contact anyone named on this Application, or any credit information center, to verify my information and responses.

I understand that Creditor will not be liable for any failure to perform due to unforeseen circumstances or causes beyond reasonable control, including, but not limited to, acts of God, war, riot, embargoes, acts of civil or military authorities, delay in delivery by vendors, fire, flood, earthquake, accident, strikes, inability to secure transportation, facilities, fuel, energy, labor or materials. I also understand that I will not export, either directly or indirectly, any product or system incorporating such product without first obtaining any required license or other approval from the host government or the United States Government.

Further, I consent that Creditor may charge me with a service charge of 1 1/2% per month on any unpaid balances that are due and owing for more than 30 days. Furthermore, any overdue balances may warrant a change of payment terms, suspension of credit or delay of shipment until resolution has been reached. If Creditor engages an attorney or collection agency to collect any balance that is due and owing for more than 30 days, I will pay in addition to principal, interest, service and late charges all attorney fees, collection fees, or court costs whether or not a suit is brought. I grant and Creditor reserves a purchase money security interest in each product purchased under this agreement and in any proceeds thereof, including accounts receivable, to secure the unpaid balance due Creditor. Upon request, I will sign any document required to perfect such security interest.

By: \_\_\_\_\_

by: \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized Agent

\_\_\_\_\_  
Signature of Authorized Agent

Title: \_\_\_\_\_

Title: \_\_\_\_\_

A copy of  our most recent Financial Statement is attached  Federal Income Tax Return is attached  Resale Tax Certificate

ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS

**SECURITY AGREEMENT**

Effective Date	State of Incorporation
DEBTOR (Name, Address and Zip Code)	SECURED PARTY-CREDITOR (Name, Address and Zip Code)

Collateral (list all by Nature, Parties, Date and Amount)

---

Obligations Secured by this Agreement (Nature and Amount)

---

Anticipated Termination of this Agreement (Date or Event)

By: \_\_\_\_\_

by: \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized Agent

\_\_\_\_\_  
Signature of Authorized Agent

Title: \_\_\_\_\_

Title: \_\_\_\_\_

# ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS

## DEFINITIONS

1.1 **Definitions.** Used herein, the following terms shall have the following meanings:

- a. **Account.** Any right to payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance.
- b. **Account Debtor.** The party who is obligated on an account.
- c. **Obligor.** Debtor and each other party primarily or secondarily liable on any Secured Obligation.

1.2 **Perfection or Security Interest.** Prior to or concurrently with the execution of this Agreement, the parties shall have signed a Uniform Commercial Code Financing Statement, which may be recorded or filed with the public officers as required by statute. It is agreed that a copy of this Agreement may be filed as a financing statement.

1.3 **Collection.** Until such time as Secured Party shall notify Debtor of the revocation of such power and authority, Debtor:

- a. Will, at its own expense, endeavor to collect when due all amounts due under the Collateral, including the taking of such action with respect to such collection as Secured Party may reasonably request or, in the absence of such request, as Debtor may deem advisable; and
- b. May grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or adjustment to which such party may be lawfully entitled. Debtor, however, may at any time, whether before or after any revocation of such power and authority or maturity of any Secured Obligations, notify any parties obligated on any of the Collateral to make payment to Secured Party of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidence thereby. Upon request of Secured Party, Debtor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Secured Party of any amounts due or to become due thereunder.

Debtor will (except as Secured Party may otherwise consent in writing) forthwith, upon receipt, transmit and deliver to Secured Party, in the form received, all cash, checks, drafts and other instruments for the payment of money (properly endorsed, where required, so that such items may be collected by Secured Party) which may be received by Debtor at any time in full or partial payment of any of the Collateral. Except as Secured Party may otherwise consent in writing, any such money which may be so received by Debtor will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for Secured Party until delivery is made to Secured Party. Debtor will comply with the terms and conditions of any consent given by Secured Party pursuant to the provisions of this paragraph.

All items or accounts which are delivered by Debtor to Secured Party on account of partial or full payment of, or any other amount payable with respect to, any of the Collateral shall be deposited to the credit of a deposit account (herein called assignee deposit account) of Debtor with Secured Party, as security for payment of the Secured Obligations. Debtor shall have no right to withdraw any funds deposited in the assignee deposit account. Secured Party may from time to time in its discretion, and shall upon request of Debtor made not more than once in any week, apply all or any of the then balance, representing collected funds, in the assignee deposit account toward the payment of the Secured Obligations, whether or not then due, in such order of application as Secured Party may determine, and Secured Party may, from time to time, in its discretion release all or any of such balance to Debtor.

Secured Party is authorized to endorse, in the name of Debtor, any items, however received by Secured Party, representing any payment on or other proceeds of any of the Collateral.

1.4 **Certificates, Schedules and Reports.** Debtor will weekly, or at such other time or times as Secured Party may request, deliver to Secured Party a schedule identifying each account receivable (not previously so identified) subject to the security interest hereunder. Debtor will from time to time deliver to Secured Party such additional schedules and such certificates and reports respecting all of any of the Collateral at the time subject to the security interest hereunder, the items or amounts received by Debtor in full or partial payment of any of the Collateral, all to such extent as Secured Party may request. Any such schedule, certificate or report shall be executed by a duly authorized officer of Debtor and shall be in such form and detail as Secured Party may specify.

1.5 **Agreements of Debtor.** Debtor (a) will, upon request of Secured Party, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by Secured Party) and do such other acts and things all as Secured Party may from time to time request to establish and maintain a valid security interest in the Collateral (free of all other liens and claims whatsoever) to secure the payment of the Secured Obligations; (b) will keep, at its address shown above, its records concerning Collateral, which records will be of such character that will enable Secured Party or its designees to determine at any time the status of the Collateral and Debtor will not, unless Secured Party shall otherwise consent in writing, duplicate any such record at any other address; (c) will permit Secured Party and its designees from time to time to inspect, audit and make copies of and extracts from all records and all other papers in the possession of Debtor pertaining to the Collateral and Account Debtors; (d) will upon request of Secured Party, stamp upon its records concerning the Collateral, a notation, in a form satisfactory to Secured Party, of the security interest of Secured Party hereunder; and (e) will not assign or create or permit to exist any lien or security interest in any Collateral.

1.6 **Returned and Repossessed Goods.** Whenever Debtor obtains possession (by return, repossession or otherwise) of any goods, the sale or lease of which shall have given rise to any of the Collateral, it will (unless Secured Party shall otherwise consent in writing) segregate, label and hold such goods in such manner as Secured Party may from time to time request. Debtor will, no later than ten days after obtaining possession of such goods, pay to Secured Party, in addition to all other amounts payable by Debtor hereunder, an amount equal to the greater of the unpaid purchase price or lease rental of such goods, or any rebate, refund or adjustment granted by Debtor in connection with obtaining possession of such goods, and if at the time of such payment no default exists, such goods shall be discharged of any security interest hereunder.

1.7 **Authority to Perform for Debtor.** If Debtor fails to act as required by this Agreement, the Secured Obligations or the Collateral, Secured Party is authorized, in Debtor's name or otherwise, to take any such action, including without limitation signing Debtor's name or paying any amounts required, and the cost shall be added as an additional Secured Obligation and shall be payable by Debtor upon demand with interest at the highest legal rate applicable from the date of payment by Secured Party.

## GENERAL PROVISIONS

2.1 **Consideration.** For valuable consideration, the parties enter into this Agreement according to the terms set forth.

2.2 **Security interest.** Debtor grants to Secured Party a security interest in the Collateral described above.

2.3 **Evidence of Secured Obligations.** If the obligations secured by this Agreement are evidenced by documents, Debtor shall give copies of these to Secured Party within ten days of executing this Security Agreement or within ten days of when the documents first came into existence.

2.4 **Warranties.** Except for the security interest granted hereby, Debtor is the sole owner of the Collateral. No financing statements or other security agreements covering any of Debtor's property the same or similar to Collateral is or will be on file in any public office except in favor of Secured Party without Secured Party's written consent. Debtor shall defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Debtor shall fully perform its contract giving rise to the Collateral.

## ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS

All information, certificates or statements given by either party pursuant to this Agreement are true and complete when given. Debtor, if a corporation, warrants that it is duly organized and existing under the laws of this state, or is qualified to do business in and is in good standing in this state: the execution, delivery and performance hereof are within Debtor's corporate powers, have been duly authorized, and are not in contravention of its articles, charter, or by-laws.

Debtor warrants that it is not in default under any agreement for payment of money to any person for any reason.

2.5 **Future Transactions.** Both parties agree that this instrument represents a continuing agreement applying to any and all future, as well as existing, Secured Obligations. All future Secured Obligations shall be treated the same as the existing obligations under this Agreement.

2.6 **Binding Effect.** This Agreement benefits Secured Party and Debtor, their respective heirs, personal representatives, successors and assigns.

2.7 **Termination.** Until default occurs, this Agreement may be terminated by either party on written notice to the other; however, all Debtor's duties and liabilities under this Agreement continue while any Secured Obligation remains unpaid.

2.8 **Assignment.** If Secured Party assigns this Agreement, assignee shall be entitled to performance of all Debtor's obligations and agreements.

2.9 **Event of Default.** Each of the following shall be deemed an event of default:

- a. Debtor's default in payment of Secured Obligations or other payments hereunder;
- b. Debtor's default in the performance or observance of any other warranty, covenant or condition of this Agreement;
- c. The filing, execution or occurrence of:
  - (1) Petition in bankruptcy by or against Debtor;
  - (2) Petition or answer against Debtor seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act;
  - (3) Adjudication of Debtor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense;
  - (4) An assignment for the benefit of creditors of Debtor whether by trust, mortgage or otherwise;
  - (5) Petition or other proceeding by or against Debtor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Debtor with respect to all or substantially all its property;
  - (6) Petition or other proceeding by or against Debtor for its dissolution or liquidation, or the taking of possession of the property of Debtor by any governmental authority in connection with dissolution or liquidation; or
  - (7) The taking by any person of the security interest created hereby or any part thereof upon execution, attachment or other process of law or equity.
- d. Any other event which causes Secured Party, in good faith, to deem itself insecure.

2.10 **Notice of Default.** The parties are desirous of giving one another fair notice of any default before remedies are sought. In the event of a default, neither party may institute legal action with respect to such default without first complying with the following conditions:

- a. A Notice of Default must be in writing and mailed to the other party by US Certified Mail, Return Receipt Requested;
- b. Such written notice shall set forth the nature of the alleged default in the performance of the terms of the Agreement and shall designate the specific paragraphs herein which relate to the alleged event of default; and
- c. Such notice shall also contain a reasonably understandable description of the action to be taken or performed by the other party in order to cure the alleged event of default and the date by which such cure must be accomplished, which date shall not be less than ten business days from the date of mailing the Notice of Default.

2.11 **Remedies.** Upon the occurrence of an event of default and the expiration of the time allowed for cure of such default as established in the Notice of Default, without notice of arbitration, Secured Party shall have the option

- a. Declare all Secured Obligations immediately due and payable without further demand or notice to Debtor; and
- b. Take or retain possession of the Collateral; and
- c. Subject to Debtor's right of redemption, sell or lease or otherwise dispose of Collateral by any public or private proceedings by the use of one or more contracts and as a unit or in parcels. Unless Collateral threatens to decline in value speedily or is of the type customarily sold on a recognized market, Secured Party must send Debtor a Notice of Disposition of Collateral which sets forth the date, time and place at which the Collateral will be sold, will be available for sale, or will be disposed of in any manner. Such notice shall also set forth the names of Debtor and Secured Party, the addresses of both, and a description of the Collateral. The Notice shall be signed by Secured Party, filed in duplicate with the filing officer who would receive a financing statement covering the Collateral, and copies sent to Debtor, to any other party from whom Secured Party obtained Possession, and to any other party who at the time of filing of this Notice had a financing statement indexed in the name of Debtor in this state or who currently has possession of Collateral. If, after twenty-one days from the day of filing and mailing of this Notice, Secured Party has not received objection to the proposed disposition, it may proceed. Secured Party may act as a purchaser at any public or private sale so long as it acts in good faith. After deduction all legal and other costs involved in the disposition of Collateral, Secured Party shall apply the proceeds to the payment of all Secured Obligations and interest thereon. Any remaining proceeds shall go first to the payment of any subordinated security interest of which Secured Party receives notification. The remaining proceeds shall be subject to Debtor's control. Debtor agrees to assume liability for any deficiency whatsoever; or
- d. Subject to Debtor's right of redemption and the compulsory disposition of Collateral as required under state law, continue to retain possession of the Collateral in full satisfaction of the Secured Obligations and all interest thereon. If Secured Party elects to so retain possession, it must file and send a Notice of Disposition of Collateral, as set forth in paragraph 2.11.c. If Secured Party receives objection from any party notified within twenty-one days of the filing or mailing of this Notice, Secured Party must dispose of Collateral pursuant to paragraph 2.11.c. If no objection is received, Secured Party may permanently take possession of Collateral.

2.12 **Arbitration.** At the option of either party, disputes may be settled by arbitration. The manner of arbitration shall be as follows:

- a. The parties adopt by reference the provisions of the Uniform Arbitration Act and the rules of the American Arbitration Association and agree that, should any bona fide disputes arise from this Agreement or the agreed performance of the parties pursuant hereto, the parties may elect to arbitrate that dispute by the parties selecting and agreeing upon a disinterested attorney to serve as arbitrator.
- b. If, for some reason, the parties cannot agree on a disinterested attorney, then the parties shall each select one

## ABBOUD TRADING CORPORATION - APPLICATION BY BUSINESS

attorney, and these two attorneys shall select a disinterested attorney.

c. Should one of the parties or its attorney refuse or delay the selection of any arbitrator for more than ten days after the mailing of written notice to its last known address, stating a desire to arbitrate, then the party desiring arbitration may petition the court or a court administrator, ex parte, to have an arbitrator selected, and the costs and reasonable attorneys' fees for this shall be charged against the delinquent party in the arbitration award.

d. The parties shall pay the cost of the arbitrator's services, comply with his arbitration procedure, and abide by his award within ten days after receiving his decision.

e. After the award by the arbitrator, should the losing party take the matter to court, then the arbitrator shall set an amount as reasonable attorneys' fees and costs of the contemplated court proceedings for the losing party to pay to the other party as a prerequisite to the filing of a court action by the losing party.

f. Should it be necessary for either party to seek the assistance of a court to enforce the arbitration award, then, in that event, the losing party shall pay to the winning party an amount which is determined by the court for court costs, reasonable attorneys' fees, and the time lost to the winning party for it or its agents having to prepare for and appear in a court action.

2.13 **Acts Not Affecting Agreement.** Debtor authorizes Secured Party, without notice or demand and without affecting its liability hereunder or on Secured Obligations, from time to time to:

a. Renew, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of Secured Obligations, including increase or decrease on the rate of interest thereon pursuant to other terms of this Agreement or the Secured Obligations;

b. Take and hold security other than Collateral in the Agreement for the payment of Secured Obligations and exchange, enforce, waive and release Collateral herein;

c. Apply Collateral or other security and direct the order or manner of sale thereof as Secured Party in its discretion may determine;

d. Release or substitute any other parties to these Secured Obligations such as endorsers or guarantors;

e. Fail to restore to other security or any other obligor for any of Secured Obligations before resorting to Collateral.

2.14 **Court Action, Attorneys' Fees, Costs and Interest.** If, upon failure of either party to comply with any of the covenants, conditions, rules or regulations of and in this Agreement, suit should be brought for damages on account thereof, or to enforce the payment of money herein stipulated, or to enforce any provision hereof, the losing party shall pay to the prevailing party reasonable costs and expenses incurred in prosecuting these suits as determined by the court, including attorneys' fees and the value of time lost by the prevailing party or any of its employees in preparing for or participating in any litigation in connection therewith. Debtor shall, in addition, pay interest on any amounts due under this Security Agreement or under the Secured Obligations at the maximum legal rate until all amounts are paid in full.

This Agreement shall be interpreted by the laws of this state, and the courts of the county in which the Collateral is situated shall have jurisdiction and venue over the parties to litigate all claims arising from this Agreement.

2.15 **Non-Waiver by Secured Party.** No delay on the part of Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

2.16 **Non-Liability of Secured Party.** Secured Party has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases Secured Party from any liability for any act or omission relating to the obligations, the Collateral or this Agreement, except Secured Party's willful misconduct.

2.17 **Waiver of Defenses Against Assignee.** Debtor shall not assert against any assignee of Secured Party's rights under this Agreement or any of the obligations any claim or defense Debtor may have against Secured Party.

2.18 **Time of Essence.** Time is of the essence in this Agreement.

2.19 **Modification.** No modification of this Agreement shall be binding unless evidenced in writing and signed by all parties.

2.20 **Notices.** Any notice from Secured Party to Debtor, if mailed, shall be deemed given when mailed, postage prepaid, addressed to the Debtor either at Debtor's address shown above or at any other address of Debtor appearing in the records of Secured Party. Each party shall promptly notify the other of any change in its address.

2.21 **Invalidity.** If any provision in this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

---

Signatures of Debtor

---

Signatures of Secured Party