

SCHEDULE A DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

- 1.1. **“Account Debtor”** means the obligor on a Receivable.
- 1.2. **“Account Limit”** means the amount of credit the Factor agrees to extend to the Client.
- 1.3. **“Accounts” and “Account Records”** means, collectively, Eligible Receivables, Purchased Receivables, Invoice, Invoice Transmittal, accounts, Assigned Accounts, Advances, contract rights and other forms of obligation arising in the ordinary course of business from the sale or lease of goods or rendition of services. “Account Records” shall mean your books and records relating thereto, whether written or recorded electronically on computer-readable discs or any other digital or machine-readable form or medium.
- 1.4. **“Advances”** has the meaning set forth in Section One, Sub-Section 1.6.
- 1.5. **“Agreement”** and **“This Agreement”** means this Factoring Agreement and all modifications and amendments to this Factoring Agreement, extensions of this Factoring Agreement, and replacements for this Factoring Agreement. This Agreement consists of a Part I which consists of this Master Factoring Agreement (Pages 1 -17) along with the Schedules A – H to the Master Factoring Agreement (Pages 1-14) all of which are collectively referred to hereunder as the **“This Agreement”**, **“Master Factoring Agreement”** or **“Factoring Agreement.”**
- 1.6. **“Assigned Account”** means an Account, Purchased Invoice, Purchased Receivable or Advance as defined hereunder identified in a duly executed Assignment is hereinafter called an **“Assigned Account.”**
- 1.7. **“Code”** means the Uniform Commercial Code as adopted and in effect in the state in which the Client’s business is based on the date of this Agreement or such other jurisdiction as the Factor selects.
- 1.8. **“Collateral”** has the meaning set forth in Section Two, Sub-Section 2.1.
- 1.9. **“Default”** means any event which with notice or passage of time or both, would constitute an Event of Default.
- 1.10. **“Deposit Account”** means all of the following, now owned or later acquired by Client: all “deposit accounts” as defined in the Code in effect on the date of this Agreement with such additions to such term as may be made in the future and includes but is not limited to all general and special bank accounts, demand accounts, checking accounts, savings accounts and certificates of deposit.
- 1.11. **“Eligible Receivables” and “Purchased Receivables” or “Purchased Invoice”** means Receivables which meet the following minimum requirements and criteria:
 - (a) shipment of the merchandise or the rendition of services has been completed;
 - (b) no return, rejection or repossession of the merchandise has occurred;
 - (c) the merchandise or services has not have been rejected or disputed by the customer and there shall not have been asserted any offset, defense or counterclaim;
 - (d) the Receivable continues to be in full conformity with the representations and warranties made by Client to Factor with respect to such Receivable;
 - (e) Factor is, and continues to be, satisfied with the credit standing of the Account Debtor in relation to the amount of credit extended;
 - (f) the Receivable is documented by an invoice in a form approved by Factor and is not to be unpaid more than **20 days** from its original due date;
 - (g) less than 25% of the unpaid amount of invoices due from such Account Debtor remain unpaid more than **90 days** from its original due date (cross aging);
 - (h) the Receivable is not evidenced by chattel paper or an instrument of any kind with respect to or in payment of the Receivable unless such instrument is duly endorsed to Factor and in Factor’s possession or represents a check in payment of a Receivable;
 - (i) if the customer is located outside of the United States, the goods which gave rise to such Receivable were shipped after receipt by Factor from or on behalf of the customer of an irrevocable letter of credit, assigned and delivered to Factor and confirmed by a financial

institution acceptable to Factor and is in form and substance acceptable to Factor, payable in the full amount of the Receivable in United States dollars at a place of payment located within the United States;

(j) the Receivable is not subject to any lien;

(k) the Receivable does not arise out of transactions with any of Client's employees, officers, agents, directors, stockholders or affiliates;

(l) the Receivable is payable to Client;

(m) the Receivable does not arise out of a bill and hold sale prior to shipment, and if the Receivable arises out of a sale to any customer to whom Client is indebted, the amount of such indebtedness, and any anticipated indebtedness, is deducted in determining the face amount of such Receivable;

(n) the Receivable is net of any returns, discounts, claims, credits and allowances;

(o) if the Receivable arises out of contracts between Client and the United States, any state, or any department, agency or instrumentality of any of them, Client has so notified Factor, in writing, prior to the creation of such Receivable, and, if Factor so requests, there has been compliance with any governmental notice or approval requirements, including, but not limited to, compliance with the Federal Assignment of Claims Act;

(p) the Receivable is a good and valid account representing an undisputed bona fide indebtedness incurred by the Account Debtor named in the Receivable, for a fixed sum as set forth in the invoice relating to such Receivable with respect to an unconditional sale and delivery upon the stated terms of goods sold by Client, or work, labor or services rendered by Client;

(q) the total unpaid Receivables from such Account Debtor does not exceed 25% of all Eligible Receivables (customer concentration);

(r) the Receivable does not arise out of progress billings prior to completion of the order; and

(s) the Receivable is otherwise satisfactory to Factor as determined in good faith in the reasonable exercise of Factor's discretion.

1.12. "Purchased Receivables" means any Eligible Receivables or Receivables or Accounts which the Factor approves in writing and agrees in writing to purchase from Client. Purchased Receivables are also sometimes referred to as Invoices or Purchased Invoices.

1.13. "Event of Default" means any of the events set forth in Section Eight, Sub-Section 8.1, of this Agreement.

1.14. "General Intangibles" means all "general intangibles" as defined in the Code, including, but not limited to, Intellectual Property, Deposit Accounts, royalties, contract rights, goodwill, franchise agreements, etc., and litigation pending or later acquired by Client.

1.15. "Guarantor" means any Person who has guaranteed any of the Obligations.

1.16. "Intellectual Property" means copyrights, trade secret rights, mask work protections, patents, trademarks, computer software, designs, technology, claims for damages, and licenses to use any property of the above types, now owned or later acquired by Client.

1.17. "Inventory" means all of the following as defined in the Code which are owned or acquired, including, but not limited to, merchandise, raw materials, parts, supplies, packing/shipping materials, work in progress, finished products, out-of-custody/transit items, returned goods, and documents of title.

1.18. "Investment Property" means all of the following, now owned or later acquired by Client: securities, stocks, bonds, debentures, debt securities, partnership interests, LLC interests, options, security entitlements, securities accounts, commodity contracts, commodity accounts, and all financial assets held in securities accounts, wherever located.

1.19. "Invoice" or Invoice Transmittal means a writing signed by an authorized representative of Client which accurately identifies the receivables which Factor, at its election, may purchase, and includes for each such receivable the correct amount owed by the Account Debtor, the name and address of the Account Debtor, the invoice number, the invoice date and the account code, if any. The phrase Purchased Invoice shall mean the same as Purchased Receivable or Assigned Account.



1.20. "Obligations" means all present and future advances, debts, liabilities, obligations, guaranties, covenants, duties and indebtedness at any time owing by Client or any of its subsidiaries or affiliates to Factor or its parent or any of its subsidiaries or affiliates, whether evidenced by this Agreement or any note or other instrument or document, whether arising from an extension of credit, loan, guaranty, indemnification or otherwise, whether direct or indirect (including, but not limited to, those acquired by assignment or as a result of the factoring by Factor, or by Factor's parent, subsidiary or affiliates, of the accounts owing from Client to others, or as a result of any participation by Factor in Client's debts owing to others), absolute or contingent, due or to become due, including, but not limited to, all interest, charges, expenses, fees, attorneys' fees, expert witness fees, audit fees, loan fees, termination fees, minimum interest charges and any other sums chargeable to Client under this Agreement or under any other present or future instrument or agreement between Client and Factor.

1.21. "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government, or any agency or political division of the same, or any other entity.

1.22. "Receivables" includes Purchased Receivables and further means all of the following, now owned or later acquired by Client: all "accounts" as defined in the Code in effect on the date of this Agreement with such additions to such term as may be made in the future (whether or not earned by performance), and all guaranties and other security for such accounts, and all rights of stoppage in transit and all other rights or remedies of an unpaid vendor, lienor or secured party.

1.23. Other Terms means all accounting terms used in this Agreement, unless otherwise indicated, shall have the meanings given to such terms in accordance with generally accepted accounting principles, consistently applied. All other terms contained in this Agreement, unless otherwise indicated, shall have the meanings provided by the Code, to the extent such terms are defined in the Code.

FACTOR
ABL Credit, LLC

A handwritten signature in black ink, appearing to read "N. Uribe", written over a horizontal line.

By: _____

Name: Nicolas Uribe

Role: Manager

Date: 1st of January 2024

Email: n@ablcredit.com

Address: 6741 Orange Dr, Davie Davie, Fl, 33314