



HYDRO-ORGANICS WHOLESALE, INC.

290 Fairchild Ave. #A
Chico, CA 95973
FAX: 530-895-9270
Tel: 530-892-9865

Applicant submits this application for credit to Hydro-Organics Wholesale Inc. for the purpose of inducing Hydro-Organics Wholesale, Inc. to grant the Applicant credit. Applicant agrees to the terms and conditions of this credit application, the invoice and the product labels of products sold by Hydro-Organics Wholesale, Inc. Applicant represents and warrants that all information supplied are accurate and true and that he/she is a merchant and a sophisticated borrower. If there is insufficient space to provide information, supply on a separate sheet.

I. APPLICANT INFORMATION:

Business Name: _____

DBA: _____

Legal Entity: ___ Sole Proprietor ___ Partnership ___ LLC ___ Trust
 ___ Corporation State and Date of Incorporation _____

Address _____ City _____ State _____ Zip _____

County _____ Telephone#() _____ Fax#() _____

Mailing Address (if different) _____

Shipping Address (if different) _____

ALL OWNERS, PRINCIPALS, PARTNERS (LIMITED AND GENERAL), OFFICERS, OR MEMBERS

Name	Title	Address	SS#

II. BUSINESS INFORMATION:

Number of years in business _____ Date of last financial statement _____

Any business within the last 5 years in which you have had any interest:

Name	Address	City	State	Zip

III. CREDIT INFORMATION

A. BANK REFERENCES

Bank Name/Address	Acct#	Telephone#	Contact

Does Applicant have an established line of credit? ___ Yes ___ No

If Yes, Account # _____ Name of Creditor _____

B. HISTORY

Does applicant or any owner, principal, officer or member have any Judgements, Collections, Liens, or Unpaid taxes in the last 7 years? If yes, give details: _____

Bankruptcy or Receivership related to this or any previous company or business you have owned, controlled, operated
___ Yes ___ No If yes, when _____ Disposition _____

C. MAJOR SUPPLIERS(Trade references)

Name	Address	City	State	Zip

ACCOUNT INFORMATION

- 1. Anticipated total purchases (annually) \$ _____
- 2. Maximum monthly credit required \$ _____
- 3. Does your company pay: Detailed Statements only Invoices with Statements Invoices without statements
- Is Applicant Tax Exempt? Yes No If yes, a tax exempt certificate must accompany this application.

IV. SALES TERMS AND CREDIT AGREEMENT

All sales made by Hydro-Organics Wholesale, Inc. to Applicant are due and payable upon delivery whether to Applicant or to a Third Party on behalf of Applicant, except for sales on accounts which have established a credit relationship with Hydro-Organics Wholesale, Inc. Applicant agrees and acknowledges that delivery of Products to a Third Party is deemed to be a delivery to and acceptance by Applicant. Credit sales are due and payable in full by the due date according to the terms of sale specified on the invoice. No terms or conditions of sale different from Hydro-Organics Wholesale, Inc. terms of sale will become part of any agreement unless approved in writing by Hydro-Organics Wholesale, Inc. A finance charge of the lower of 1.5% per month or 18% APR (Annual Percentage Rate) or the highest amount permitted by law may be assessed against sales which have not been paid. Applicant agrees that all other terms and conditions of sale shall be governed by the label or invoice, which may be sent to Applicant after product delivery. Applicant grants to Hydro-Organics Wholesale, Inc. a security interest in all Products sold and proceeds therefrom.

For those accounts which incur finance charges, payments or credits may be applied first to past due finance charges and subsequently to outstanding invoice outstanding invoice balances at the discretion of Hydro-Organics Wholesale, Inc.

Any dispute or claim on this account or this Agreement or Product efficacy claims may be settled by arbitration at the sole discretion of Hydro-Organics Wholesale, Inc. under the Commercial Arbitration Rules administered by the American Arbitration Association. If an award is obtained as a result of arbitration, it may be confirmed and entered as a final judgement in any court having jurisdiction. A sole arbitrator within the state the sale was made will conduct the arbitration. The prevailing party shall be awarded reasonable costs, arbitration and attorney fees, including anticipated attorney fees necessary to confirm the award in a court of law.

Applicant agrees to pay reasonable attorney fees and costs, of collections.

Upon written credit approval by Hydro-Organics Wholesale, Inc. representative, Hydro-Organics Wholesale, Inc. will assign Applicant a maximum credit amount (Credit Limit). Applicant agrees to provide Hydro-Organics Wholesale, Inc. with a current financial statement. Should the account balance exceed any established Credit Limit, liability for payment additionally extends to the entire balance. Hydro-Organics Wholesale, Inc. has the right to reduce the Credit Limit and/or withdraw Applicant credit under this Credit Agreement at any time without prior notice, except as otherwise provided by law. Hydro-Organics Wholesale, Inc. reserves the right to revoke credit or demand full payment if Applicant fails to pay when due, or if in the sole discretion of Hydro-Organics Wholesale, Inc., there has been an adverse change in buyer's financial condition, and thereupon Hydro-Organics Wholesale, Inc. shall have the right to demand payment or other assurance which it deems adequate. Default by Applicant under this or any agreement between Applicant and Hydro-Organics Wholesale, Inc. shall be default under all agreements. Hydro-Organics Wholesale, Inc. does not waive its rights by accepting late payments.

Power of Attorney. Upon written approval of credit by Hydro-Organics Wholesale, Inc., Applicant hereby appoints Hydro-Organics Wholesale, Inc. as its true and lawful durable attorney-in-fact, irrevocable, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable resulting from sales of the Products; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Products and accounts receivable; (c) to settle or compromise any and all claims arising under the Products and accounts receivable and the place of Applicant, to execute and deliver Applicant release and settlement for the claim; (d) to execute any UCC financing statements or other UCC forms required by Hydro-Organics Wholesale, Inc. and (e) to file any claim or claims or to take any action or initiate or take part in any proceedings, either in its own name or the name of Applicant, or otherwise, which in consideration for the indebtedness incurred by the Applicant as a result of the sale of the Products to Applicant, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Hydro-Organics Wholesale, Inc. or until all indebtedness is satisfied, whichever occurs first.

If any provision contained in the Credit Agreement is determined by a court to be in conflict with applicable law, that provision shall be considered changed or omitted to conform to such law, all other provisions of this Credit Agreement remain in full force and effect. Nothing in this Agreement shall be deemed to limit Hydro-Organics Wholesale, Inc.'s collection rights or remedies.

IMPORTANT NOTICE- EQUAL CREDIT OPPORTUNITY ACT NOTICE.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Protection Act.

The undersigned, being either the Applicant or an individual authorized to act on behalf of the Applicant, offers this information to Hydro-Organics Wholesale, Inc. to induce consideration for credit. The undersigned hereby acknowledges and agree to all terms and conditions of the Credit Application and to the invoice terms for the sale of Products. The undersigned certifies the information submitted it true and correct, and grants permission to verify any information deemed necessary to make a credit determination. The Application further authorizes Hydro-Organics Wholesale, Inc. to request a copy of the Applicant's most recent financial statement, if available, from its bank, other agency, or accountant to support application information.

I (W) believe that our/my business is financially able to meet any commitments I/we have made or will make, and I/we promise to pay to the order of Hydro-Organics Wholesale, Inc. the amount in full according to any invoice terms of this Agreement.

Name/Title _____ Date _____ Name/Title _____ Date _____

APPLICATIONS MUST BE SIGNED

The undersigned individual who is either a principal of the credit applicant or a sole proprietorship of the credit applicant, recognizing that his or her individual credit history may be a factor in the evaluation of the credit history of the applicant, hereby consents to and authorized the use of a consumer credit report on the undersigned by the above named business credit grantor, from time to time as may be needed, in the credit evaluation process.

INDIVIDUAL GUARANTEE FOR CORPORATE DEBT

The undersigned individual guarantor hereby agrees to guarantee payment of, assume personal liability for payment and all obligation due and owing Hydro-Organics Wholesale, Inc. for materials and services to the corporation, pursuant to this request for credit. The undersigned further agrees to pay all Hydro-Organics Wholesale, Inc. collection expenses, as state above, in endeavoring to collect the corporations or principal's obligations. Guarantor further authorizes Hydro-Organics Wholesale, Inc. to obtain any and all credit or asset report(s) upon guarantor.

The guaranty is absolute, unconditional and continuing and shall remain in effect until all principals' obligations have been paid, performed and discharged in full. The death of the undersigned shall not terminate the guaranty as to such deceased or any of the surviving undersigned.

The undersigned personal guarantor, recognizing that his or her individual credit history may be a necessary factor in the evaluation of this personal guarantee, hereby consents to and authorized the use of consumer credit report on the undersigned by the above named business credit grantor, from time to time as may be needed, in the credit evaluation process.