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GBC MEMBERSHIP #

GBC REP

# Membership Application and Agreement

(Acceptance of this application shall be contingent upon approval of category availability & Trade Exchange review.)

## BUILD YOUR BUSINESS WITH THE POWER OF BARTER

<b>COMPANY NAME</b>	<b>AREA CODE</b>	<b>E-MAIL</b>	
<b>DBA</b>	<b>PHONE #</b>	<b>FAX #</b>	
<b>MAILING ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>
<b>BUSINESS ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>
<b>BUSINESS HOURS</b>	<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER</b>		
<b>DESCRIPTION OF BUSINESS</b>			

**SOLE OWNER**                       **PARTNERSHIP**                       **CORPORATION**

The above named applicant applies for membership in the Global Barter Corporation for the privilege of trading goods and services with other members.

### If accepted for membership, the applicant agrees as follows:

- Member agrees to abide by the rules and regulation of GBC and understands that the Rules, Regulations and procedures are a part of his Membership agreement.
- Fees; a. Initiation fee \$500.00 b. Annual dues \$295.00; c. Service and accounting fee, 6% in cash transaction fee on each sale and 6% in cash transaction fee for each purchase.
- Members may elect to go on reserve status whenever their sales exceed the purchase by \$ \_\_\_\_\_.
- Statement on members' trading activity reflecting all sales and purchases are computed monthly and will show trade dollar balance and service charges. Cash service charges are due and payable upon receipt. A late fee of \$25.00 will apply when fees are not paid by the 15th of the month.
- Member and/or GBC have the option to cancel this Agreement as specified in Membership Rules, Regulations and Procedures.
- In the event of any breach of this Agreement by Member, Member agrees to pay reasonable attorney fees, court costs, collection costs and interest.
- This Agreement cannot be assigned, transferred or sold without prior written consent of GBC, and is binding upon heirs, successors, assigns and administration of Members.
- Upon acceptance of this application and receipt of membership fees and first year's annual dues, members' account will be granted an automatic overdraft privilege of \_\_\_\_\_ trade dollars. This overdraft privilege, if used, will constitute a personal as well as corporate debt of the system. Larger overdrafts may be available for GBC upon application with the usual security requirements.
- The above information is true and correct to the best of my knowledge.

<b>DATE</b>	<b>CORPORATION</b>	<b>PER</b>
	<b>CORPORATE TITLE</b>	<b>INDIVIDUAL</b>

### Terms and Conditions

#### 1. The Parties

Global Barter Corporation (hereinafter "GBC") is a trading company that also acts as a clearing house and third party record keeper of barter transactions among its clients.

A "Client" is a business or person who contracts with GBC to exchange its goods, services or merchandise with other clients and subscribes to GBC's record keeping and barter services.

Client agrees with the execution of GBC's Client Application and Agreement to abide by these trading Terms and Conditions. In the case of a corporate or other form of business client, the owner, operator or other authorized representative will execute a personal guarantee for the obligations of the corporate or other form of business client under the trading Terms and Conditions.

#### 2. Nature of Trade Dollars

A "trade" is a barter purchase or sale of goods and/or services whereby payment is made in trade dollars posted to Client's account pursuant to these Terms and Conditions. A trade dollar is an accounting unit used to record the value of trades. Ownership of trade dollars denotes the right to receive goods or services available within the GBC trade network. Trade dollars may only be used in the manner and for the purposes set forth in these Terms and Conditions. They will not be considered legal tender, securities or commodities. They may not be redeemed for cash. GBC disclaims responsibility for the negotiability of trade dollars or for the availability of goods or services for any source responsibility.

#### 3. Liability for Trade Dollars

Client acknowledges trade dollars in the barter system (positive balances) are the liabilities of persons who have spent more than their earnings (negative balances); that there is a creditor/debtor relationship between clients, and that trade transactions incur the normal business risks associated with any credit transaction. As a general rule, trade dollars are the liabilities of the Client who owes the barter system, and not of GBC, which is solely responsible for its own indebtedness. GBC is authorized to establish a bad debt reserve fund by charging all accounts on a regular basis an amount in trade dollars to be paid into such fund. Any positive balances abandoned or surrendered by former members in accordance with the Rules may also be paid into the reserve fund.

#### 4. Trade Dollar Loans

Client grants to GBC the right and power to make trade dollar loans to any Client on terms and conditions consistent with a client's credit worthiness and ability to repay. The exercise of this power shall be at the sole discretion of GBC management with regard to principle, interest, terms and conditions, lending policy and other particulars. Clients wishing to apply for a loan may be required to submit a loan application, financial statement, credit agreement, promissory note, or equivalent collateral prior to approval. GBC is under no obligation to extend credit at any time.

#### 5. Brokerage Function

GBC serves in a brokerage capacity in organizing and facilitating trades among Clients. Responsibility for the conduct of trade is exclusively that of the two clients participating in the trade. The duty to inspect goods for quality and quantity rests upon the buyer. GBC will use its best efforts to broker the trade dollars of Clients into goods and services, to accurately record trades, and to administer these trade dollars of Clients into goods and services. However, Clients acknowledge that the sole principals in any trades are the buying and selling Clients involved in that Trade. Trades are entered into voluntarily, and that GBC is not the guarantor of and trade or trade dollar. Client has the obligation to determine the provision of any services, and whether it possesses the competency and

professionalism to adequately service the client.

#### 6. Solicitation of New Business

GBC shall use its best efforts to solicit new business having products or services to satisfy the needs of all Clients. GBC is not responsible if a Client cannot find specific products or services to buy from the Clients.

#### 7. Definition of Client in Good Standing

A Client who conducts trades in accordance with these Terms and Conditions, is current in any monies owing GBC, and has a valid unexpired Client account, is to be considered a "client in good standing". Only Clients in good standing are entitled to the services of GBC.

#### 8. Payment of Fees

Client agrees to pay 6% in cash transaction fee on each sale and 6% in cash transaction fee on each purchase. GBC may, at its option, require advance payment of Client transaction fees, maintenance fees, and other charges to Client by GBC are in payment for services rendered in processing Client into the exchange system, operating the clearing house and brokerage functions, administering these Terms and Conditions, maintaining records and facilitating Client's use of exchange system. Client agrees to pay GBC the full amount of such fees within fifteen (15) days of issuance of the monthly invoice; otherwise GBC shall charge Client a finance charge in the outstanding balance at the rate of 1.5% per month on the unpaid balance, compounded monthly (eighteen (18%) percent per annum). In the event that Client is in arrears of any cash fees beyond thirty(30) days, GBC shall suspend Client's right to usage of any positive trade credit balance in Client's account and Client grants to GBC the right to hold any such balance as long as any cash fees remain in arrears for more than 30 days.

Any account continuing in a delinquent status for three (3) consecutive months will be closed without further notice by GBC. Trade dollars in the account will be forfeited and placed by GBC in its general operating accounts unless outstanding fees are paid. Any Trade Dollar account with a negative balance (purchases exceed sales) shall be assessed a 6% per month carrying charge per month until outstanding balances paid,

#### 9. Returned Checks

All checks returned unpaid to GBC because of non-sufficient funds or stopped payment will be subject to a \$50.00 cash handling fee.

#### 10. Trade Procedure

Buyer must have a valid customer identification card in order to make a purchase. Client is solely responsible for all charges made on card(s) issued to Clients account. GBC is not responsible for the use of cards by unauthorized persons. Cards will be issued only by written authorization from the Client who signed the original contract or other corporate officer.

Selling Client shall furnish all materials and labor at Client's normal prevailing prices.

#### 11. Trade Authorization

##### A. Seller's duties:

##### To receive credit for transactions, seller must:

- Obtain a telephone authorization number from the GBC office for each transaction, place authorization number on GBC vouchers before releasing merchandise or performing a service;

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the buyer's account will be debited for the amount of the purchase at that time.. GBC is not responsible to honor authorizations granted due to any misrepresentation made by buyer or seller. GBC reserves the right to refuse to issue an authorization number approving a transaction under any of the following conditions:

- a. If buyer does not have sufficient trade dollars or line of credit to make such purchase;
- b. If either party is not a Client in good standing;
- c. If seller fails to call GBC for an authorization number at time of sale.

2. Obtain the buyers signature on a GBC transaction voucher (or other approved proof of purchase document and mail a copy to GBC office within five(5) business days.

#### B. Buyer's duties

1. The buyer's account will be debited for the amount of the purchase at the time a telephone authorization number is received from the GBC office.

2. Buyer shall have twenty-one (21) days after the transaction appears on buyer's next GBC statement to reject the trade only under the following conditions:

- a. Improper quantity was delivered
- b. The goods were not in the same condition as displayed in the sample or advertising
- c. The services were not as represented
- d. The merchandise was damaged or unusable

3. In the event of a rejection, the buyer shall notify both GBC and seller within twenty-one (21) days of the statement upon which the transaction is recorded. Upon receipt of said rejection GBC will transfer the funds to a pending account. The seller will not be credited for the transaction. GBC shall hold the funds in pending subject to arbitration or resolution by the parties.

#### 12. Overpricing

GBC retains the right to inquire into allegations concerning overpricing and demands by Clients for part payment in cash. GBC retains the right to cancel membership to those members found guilty of these infractions. If a Client is accused of overpricing or a violation of any rules GBC will take the following steps:

- a. On the first complaint, a GBC officer will visit the member to review the complaint.
- b. If a second complaint occurs on a Client, a letter to the Client will be issued by GBC citing the two complaints and state the letter is a final warning.
- c. If a third complaint is submitted, GBC will send a certified letter canceling Clients membership.

#### 13. Recording and Errors

Client's monthly statement will be considered accurate as printed unless the GBC accounting department is notified of any discrepancies within twenty-one (21) days of issuance of statement. Audit of Client's account is subject to a fifty (50) dollar cash charge per hour, one (1) hour minimum unless GBC has been found in error. All copies of statements requested within forty-five (45) days of their issue will be free of charge. Any request after forty-five (45) days will be subject to a twenty five (25) trade dollar charge per copy.

#### 14. Laws and Regulations

Clients shall abide by applicable federal, state and local laws, and regulations appropriate to any trade, and GBC shall not be responsible for any failure on a part of Client to comply

**Hold harmless and indemnity agreement:** Client agrees to hold GBC harmless and indemnify GBC for any action GBC takes to comply with applicable laws and regulations pertaining to Client's business or participation in the GBC network.

#### 15. Taxes

Seller shall charge the appropriate sales, excise and other taxes and collect and record these on the GBC invoice at the time of sale Under no circumstances will GBC be responsible to pay any sales, excise, use or other tax on behalf of any Client. Client acknowledges that transactions involving trade dollars are generally treated as taxable events for federal, state and local tax purposes. The declaration and reporting of all applicable federal, state and local taxes resulting from trade transactions rests solely with the Client. GBC is required by federal law to obtain the correct taxpayer identification number of Client (who is required by law to provide such number) and to report all trade sales of the Client to IRS on Forms 1099-B. Failure to provide the correct taxpayer identification number may result in the imposition of backup withholding of twenty (20%) percent of the gross proceeds of each sales transaction, under federal law. Client agrees to hold GBC harmless for any actions GBC takes to comply with federal or state tax laws.

**Hold harmless and indemnity agreement:** Client agrees to hold GBC harmless for any actions GBC takes to Comply with federal, state or local tax laws.

#### 16. Assignment of account

A Client's account is not assignable or transferable by Client without GBC's express prior written consent. Trade dollars may not be advertised for sale without GBC's express prior written consent. In the event of bankruptcy or insolvency of a Client, where assets of the company will be sold, GBC has the first right of refusal to bid on trade dollars to be liquidated.

#### 17. Direct Trades

Direct trade between Clients to avoid service fees are prohibited, and if consummated are subject to standard cash transaction fees payable upon demand; such trades will also result in immediate suspension or termination of the Clients involved.

#### 18. Stand by

Clients can request that their account be paced on "stand by" under the following conditions:

1. Client's account must have a positive balance
2. Client must give notice to the GBC Trade Department

An account which has been placed on "stand by" status has the right to spend accumulated trade dollars, but shall receive no additional business. "Stand by" status whether requested by Client or imposed by GBC cancels contractual commitments by GBC regarding exclusive territories.

#### 19. Suspension of Trading Privileges

GBC reserves the right, at its sole discretion, to suspend the trading privileges of any Client who:

1. Engages in unfair business practices against GBC or any other Client;
2. Is in breach of this agreement or other terms of the trading rules and regulations;
3. Client has outstanding cash fees due GBC which are more than thirty (30) days past due.

Client shall be given notice of such suspension. The trading privileges of the Client shall be reinstated immediately upon payment of such past due fees.

#### 20. Termination

Either party may terminate this agreement upon fourteen (14) day written notice to the other party. Immediately upon termination, with or without cause, all cash and trade dollar service fees outstanding become due and payable and:

1. If a Client has a negative trade balance (purchases exceed sales) Client must balance the account with trade dollars within thirty (30) days of the termination date and, after the thirty (30) day period immediately pay GBC any remaining negative balance in cash; or
2. If Client has a positive trade balance (sales exceed purchases), Client may stay active and spend the balance until purchases equal sales by paying GBC in advance the cash service fees on the positive balance. Until trade dollars are spent, monthly maintenance fees will be charged to clients account.
3. If Client has outstanding cash fees due GBC which are more than thirty (30) days past due, Client shall be given notice of suspension. The trading privileges shall be reinstated immediately upon payment of such past due fees.

#### 21. Suspension/ Termination for Cause

GBC may, without prior notice to Client suspend Client's participation in the GBC trading network or terminate this agreement if it appears to GBC that Client's financial circumstances, or Client's conduct in connection with this agreement or in connection with Client's business practices is such that there is a reasonable potential from harm being caused to either the business interests of GBC or that of its other clients, or to the general public. The following are specifically designated as grounds for immediate suspension/ termination but shall not be construed as an exhaustive listing of any such grounds;

- a. The filing of any proceedings or petition by Client under federal or state laws seeking protection from its' creditors or any assignment made by Client, whether formal or informal, for the benefit of creditors;
- b. The appointment of a Receiver or Trustee with respect to Client's business affairs or the filing of any involuntary proceedings against Client by its' creditors;
- c. Client's failure to cure any breach of this agreement within the applicable time period allowed;
- d. Client's loss or suspension of any license held by it which is necessary for Client's business operation;
- e. GBC's receipt of three (3) or more complaints within an 18 month period which relate to Client's business practices;
- f. Client's engaging in a direct trade exchange with any other Client, or charging cash for a

transaction contrary to this agreement;

- g. Client's engaging in any unfair business practices towards GBC or another Client, or the general public.

#### 22. Amendment and Additions to Terms and Conditions

GBC reserves the right to amend this agreement which GBC deems beneficial to the conduct of its' business and the trade network. Any such amendment or additions shall be forwarded to Client by enclosing the same with the Client's next GBC statement and shall be effective after thirty (30) days of the date of the statement.

#### 23. Fee Charges

GBC reserves the right to change maintenance fees and transaction fees from time to time. Any such fee change shall be forwarded to the Client by enclosing the same with the Client's next GBC statement and shall be effective after thirty (30) days of the date of the statement.

#### 24. Disclaimer of Liability

GBC makes no representation of a warranty either expressed or implied and disclaims all liability as to the fitness, quality and delivery date. Merchantability, prices or any term of the trade transaction or the competency of any service provider.

**Hold Harmless and Indemnity Agreement:** Client does hereby agree to hold harmless and indemnify GBC with respect to any claim, debt or liability or any nature whatsoever, arising out of any transaction wherein Client is a buyer or seller. Client acknowledges that GBC is functioning in a brokerage capacity and as a third party record keeper and will be held harmless and indemnified in any dispute between Client and all other Clients.

#### 25. Disputes

GBC is functioning in a brokerage capacity, and as a third party record keeper is to be held harmless on any liability question arising between Clients.

#### 26. Identification Cards

GBC identification cards issued to Clients shall remain the property of GBC and must be returned upon demand.

#### 27. Referrals

A referral fee of one hundred (100) trade dollars will be given to each Client who introduces and refers a new GBC Client which shall be payable upon execution of a binding agreement between the referred Client and GBC.

#### 28. Advertising

Unless otherwise stipulated between the parties to this agreement, Client authorizes GBC to notify and advertise to other Clients the availability of Client's products and services.

#### 29. Tips and Gratuities

All tips and gratuities shall be paid in cash at point of purchase by the buying Client.

#### 30. Special Trade Procedures

The following procedures apply to transactions involving special orders, construction jobs, service work or long term leases and other work-in-progress transactions.

1. Buyer should obtain a written estimate before authorizing work to begin.

2. Before starting, if appropriate, Seller should obtain a deposit or down -payment in trade dollars in the same nonrefundable manner as a cash transaction. This is done with a GBC invoice and authorization number. Seller should include in their contract that if the Buyer does not have sufficient trade dollars in their account when an authorization is requested, the difference must be paid in cash to the Seller. GBC will only issue an authorization for the amount in the account.

#### 31. Products Sold by GBC

All Client merchandise accepted into GBC inventory is subject to return to the Seller if it is:

1. Damaged;
2. Defective
3. Misrepresented

On all products owned and sold by GBC, the sole and exclusive warranty made by GBC is that it has title to such products. Other than that set forth above, products are sold "As is" with respect to any products or services purchased by Buyer from GBC. Buyer recognizes that such items are produced and provided by Clients of GBC and not by GBC or its affiliates. GBC makes no warranty, either express or implied by operation of law or otherwise as to the merchantability or fitness for a particular purpose of such products or services, and Buyer shall look solely to the manufacturer of such merchandise for any warranty.

#### 32. Commitments and Responsibilities

GBC is only responsible for commitments and representations made in writing by a duly authorized officer. Brokers, agents or employees of GBC have no right to bind GBC to any obligations or representations whatsoever without such written authorization made in writing by the Chairmen of the board, President or Vice-President of GBC.

#### 33. Scrip and Gift Certificates

Refunds or exchanges of scrip or gift certificates will only be made within ten (10) days of sale and GBC will only waive such requirement in the form of a written consent by an authorized officer of GBC.

#### 34. Disputes between Clients

Client hereby agrees that all disputes between Client and other GBC Clients which in any way relate to participation in the GBC Trading Network may be submitted in writing with supporting documentation to GBC for resolution. GBC may, but not be required to attempt to mediate such dispute. GBC shall have a period of forty-five (45) days to attempt to mediate a settlement of any such dispute after which period Client is free to take whatever action deems appropriate.

#### 35. Waiver

GBC in its sole discretion may from time to time waive any provisions of the agreement for any Client. Any such waiver, to be effective, must be in writing and executed by an authorized officer of GBC. It is understood that any such waiver shall be strictly limited to the specific terms of the written waiver document. Except as provided by the foregoing, any failure of GBC to insist on strict compliance with any particular term or provisions of this Agreement, or any delay or omission on the part of GBC to enforce any term or provision of this Agreement, shall not constitute any waiver with respect to any such term or provision.

#### 36. Prior Agreements

All prior agreements if any, whether oral or written, between Client and GBC are hereby canceled and these Terms and Conditions shall control the relationship of GBC and Client hereafter. The execution of this Agreement, however will not effect the amount of Client's trade balances with GBC.

#### 37. Severability

In the event any term or provision of this agreement, if for any reason, is held to be unenforceable or invalid, the remaining terms and provisions shall continue to be valid, enforceable and binding upon the parties.

#### 38. Choice of Forum to Resolve Disputes

This Agreement shall be governed and construed in accordance with the laws of the State of Florida. Client hereby consents to jurisdiction and venue of the courts located in Dade County, Florida to hear and decide any disputes arising out of or in connection with this Agreement and which if Client initiates any actions are exclusive thereto.

#### 39. Recovery of GBC's Costs, Expenses and Attorney's Fees

In the event GBC incurs any costs or expenses to collect any sum due GBC from Client, than GBC shall be reimbursed by Client for any such costs or expenses, including reason able attorney's fees. In the event GBC is the prevailing party in any other controversy or proceeding involving Client and this Agreement, GBC shall be entitled to the recovery of its costs, expenses and reasonable attorney's fees in addition to such other remedies being sought therein.

#### 40. Cessation of Operations

In the event the barter system of GBC terminates or in the event GBC ceases to do business or GBC ceases to exist or function, all Clients in a debit position with respect to their trade dollar account, that is owing trade dollars, will pay amounts that they owe but in cash and not trade dollars (one trade dollar being equal and equivalent, for these purposes, of one (1) dollar in cash in U.S. currency ) into a fund. The fund, less expenses, will be distributed pro rata to all Clients who are in a credit position with respect to their trade dollar account. Thus, all Clients in a credit position will receive cash for their trade dollars to the extent the fund permits. GBC shall not be liable to any Clients in a trade dollar credit position for cash or trade dollars beyond the distribution of such fund as aforesaid.

#### 41. Governing Law

This Agreement shall be construed under and governed by the laws of the State of Florida to the extent such laws are not preempted by applicable Federal law.

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