

Desert Industrial Supply

Corporate Office

44957 Yucca Ave, Lancaster, CA 93534

Phone: (661)948-8457 Fax: (661)945-0906

Application for Credit

Location:	<input type="checkbox"/> Lancaster 661-948-8457	<input type="checkbox"/> Canyon Country 661-251-6420	<input type="checkbox"/> Ridgecrest 760-446-2511	<input type="checkbox"/> Palmdale 661-273-7673	<input type="checkbox"/> Arizona 928-768-3055	<input type="checkbox"/> Pasadena 626-578-1508
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For the purpose of obtaining merchandise on credit from Desert Industrial supply, the undersigned furnishes the following as being true and correct Personal and Financial information.

Date: _____

Amount of Credit Required: _____

Account Name: _____ Telephone: _____
dba if applicable: _____ Fax: _____
Street Address: _____ City, State Zip: _____
Billing Address: _____ City, State Zip: _____
Yard address (if different from office): _____

Type of Business:

Plumbing Contractor General Contractor Mechanical Contractor
 Mobile Home Wholesale Distributor Retail Store
 Property Manager Other (explain) Cabinet Mfg & Installation

Name/Address of: Parent Subsidiary Affiliated Company(s):

Ownership: Sole Prop. General Part. LLC/LP Corp.
Date Business Started: _____ Date of Incorp.: _____ St: _____
Resale # _____ Contractors License #: _____
Bond #: _____ Bond Co Name/Address: _____
Phone: _____

Personal Information: Complete names, home addresses and telephone numbers of ALL owners, partners Principals or Corporate officers.

1. Name: _____ Title: _____ Social Security #: _____
Address: _____ Phone: _____
Driver's License Number: _____ State: _____
Nearest Relative: Name: _____ Address: _____
Telephone: _____ Relationship: _____

2. Name: _____ Title: _____ Social Security #: _____
Address: _____ Phone: _____
Driver's License Number: _____ State: _____
Nearest Relative: Name: _____ Address: _____
Telephone: _____ Relationship: _____

3. Name: _____ Title: _____ Social Security #: _____
Address: _____ Phone: _____
Driver's License Number: _____ State: _____
Nearest Relative: Name: _____ Address: _____
Telephone: _____ Relationship: _____

Trade References: Please give complete address and phone number.

1. Name: _____ Contact: _____ Acct #: _____
Address: _____ Phone: _____

1. Name: _____ Contact: _____ Acct #: _____
Address: _____ Phone: _____

1. Name: _____ Contact: _____ Acct #: _____
Address: _____ Phone: _____

Bank References (Account/Loans):

Name: _____ Contact: _____
Address: _____ Phone: _____
Checking #: _____ Savings #: _____
Business #: _____ Loan #: _____

If your company or any of its owners have ever filed bankruptcy, please explain: _____

Have you ever applied for or been extended credit by Desert Industrial Supply? _____
If so, under what name: _____

If requested, will you provide:

Financial Statement YES / NO
Preliminary Notice Information YES / NO
Joint Check Agreement YES / NO

Do you require:

Purchase Order Number YES / NO
Job Name or Number YES / NO
Monthly Statement YES / NO

Your invoices will be faxed to the number on the front page overnight unless noted here:
Fax invoices to: _____

Please list individuals authorized to sign on your Account (owners please include yourself):

I hereby authorize any of the references listed herein to provide you with any and all information requested by **Desert Industrial Supply**. A copy of this form shall be as effective as the original I have signed. Applicant hereby warrants that the above information is true and correct, furnished for the purpose of obtaining credit. In consideration of credit extended, Applicant agrees to pay all purchases in accordance with the terms of **2% 10th Prox/Net End of Month**. Credit may be withdrawn at any time whatsoever, without written notification, and without **Desert Industrial Supply** having to furnish a reason therefore, or be liable for any damages occasioned thereby. Full terms and conditions are contained herein.

Date: _____ Signature: _____

WARNING

Some products we supply may contain lead. By accepting our products you certify that these products will be installed in compliance with California AB-1953.

Credit Terms and Company Policies

1. **Billing Period:** Our billing period runs from the 1st of the month through the last day of the month. Statements are generated on the 1st business day following the month end for the previous month's activity.
2. **Payment Terms:** Terms of payment are 2% 10th/Net EOM (End of Month). A 2% discount will be allowed from the invoice if it is paid by the 10th of the month following purchase, if paying by cash or check. Statements will be paid in full by EOM after purchase, or it shall be considered past due. It is considered past due if payment is not received by EOM. Statements will be mailed and or faxed to the Applicant at the address provided in the Application for Credit. Please include the statement number along with your payment.
3. **Payment Methods Accepted:** At this time DIS accepts payments in the form of cash, check, or credit card. If paying by credit card, we accept Visa, MasterCard, Discover and American Express. Please note that if you are paying by credit card, the 2% discount for paying before the 10th of the month will NOT be allowed.
4. **Statements:** After the close of our billing period, you will be sent a statement listing invoice charges in that billing period, credit applied to your account, if any, and previous payments received, if any. In the last column of your statement, you will see the amount owing for the close of the billing period.
5. **Unearned Discounts:** Unearned discounts will be charged back and are expected to be paid the following month.
6. **Overdue Accounts:**
 - a. **Temporary COD** - Invoices must be paid in full within 30 days of the date of the statement. If timely payment is not received within 30 days after that date (being over 60 days due), your account can be placed on temporary Cash on Delivery ("COD") basis until full payment is received.
 - b. **Credit Hold** - If a statement remains unpaid after 60 days, your account may be placed on a temporary "credit hold status" and you will not be able to purchase any products, including on a COD basis.
 - c. **Permanent COD** – DIS reserves the right to place your account on a permanent COD basis, including for repeated failure to pay statements in full.
 - d. **Service Charges** - Accounts with balances 60 days and older will be assessed a 1.5% per month (18% per annum) service charge.
 - e. **Third Party Collections** - Accounts with a balance over 90 days or more past due are subject to being turned over to an outside collection agency or attorney for collection.
7. **Material Inspection:** Upon receipt of product from DIS, Applicant and or Applicant's agents are responsible for reviewing the product delivered and immediately noting discrepancies, if any, on the delivery receipt.

8. **Returning Material and Restocking Charges:**

a. All returns must be made within 3 days after the delivery of goods or product. Returns shall be for an account credit only.

b. No goods or product will be accepted for credit without a copy of the original billing invoice and prior authorization from DIS.

c. All special order material will require Manufacturer's authorization to return and is subject to additional re-stocking, handling, freight and additional costs as applicable.

d. Any material returned for credit may be subject to restocking and/or handling charges as follows:

1. **15% of original purchase price-** All regularly inventoried material that is in good and resalable condition.

2. **20% of original purchase price-** All regularly inventoried material that must be either repackaged or inspected, plus any reconditioning charges, to include new cartons.

3. **30% of original purchase price-** Special order material will be subject to a 30% handling charge, plus manufacturer's restocking charge, plus any freight that may be involved (in and out bound).

e. We cannot accept any material for return that has been abused or used in a situation that may possibly cause it to become defective.

Since we realize that our success depends on your satisfaction, we will always strive to give you the very best service. Please do not hesitate to call us whenever we can help you in any way. We look forward to a long and pleasant business association.

Terms and Conditions

1. Incorporation by Reference: These Terms and Conditions are expressly incorporated into the Application for Credit by this reference as though fully set forth in the body of the Application for Credit. The definitions or titles used in these Terms and Conditions shall be construed and given the same meaning as used in the Application for Credit.

2. Delivery, Delivery Date and Risk of Loss: As used in the Application for Credit, the term "delivery" as it pertains to any equipment, materials or supplies ("Product") ordered shall mean Free On Board ("FOB") Desert Industrial Supply's ("DIS") warehouse and if any ordered Product is to be delivered by DIS to a location other than DIS's warehouse, Applicant shall pay DIS the freight and insurance charges that DIS incurs to deliver the Product to a specified location, in addition to the sales price and applicable taxes related thereto for the Product. Applicant shall accept partial deliveries of the Product and shall pay for that portion of the Product received pursuant to the terms of this Application for Credit. Partial delivery of the Product not in accordance with the specifications set forth in the order shall not affect the remainder of the Product to be delivered.

DIS cannot guaranty a delivery date for the Product. If the performance by DIS of any part of this Application for Credit is prevented, hindered, delayed, or otherwise made impracticable by any reason beyond DIS's control, including but not limited to, unavailability of the Product, war or the effects of war, acts of terrorism, blockade, revolution, insurrection, civil commotion, riot, mobilization, strike, labor trouble, lockout, act of God, plague or other epidemic, fire, flood, obstruction of navigation by ice or other obstruction at any port, acts of public enemy, any labor, material, transportation utility shortage, curtailment, governmental order, decree or regulation, labor trouble in the plant of DIS or the manufacturer or in the plants of its suppliers or other independent contractors, or to any other similar or dissimilar cause or causes (collectively referred to herein as a "Delay Event"), DIS shall be excused from such performance during the continuance of any such Delay Event and for so long as such Delay Event shall continue to prevent, hinder or delay DIS's performance, but if such Delay Event shall continue for longer than sixty (60) days in duration, then after such sixty (60) day period DIS shall, upon its election, be completely excused from providing all or any portion of the Product.

Title and risk of loss or damage to the Product, shall pass to Applicant upon delivery. Notwithstanding the foregoing, DIS shall not be liable for any loss or damage of the Product while in transit. Further, DIS may select alternate carriers, which in DIS's view are suitable.

3. Sales Price, Payment and Default: The payment due day for any Product ordered shall be as follows ("Payment Due Date"): (i) if credit terms have been extended to Applicant, Applicant shall pay the quoted sales price and applicable taxes for the Product ordered within billing period payment terms, and where the Product is to be delivered to a specified location (other than DIS's warehouse), Applicant shall also pay the freight and insurance charges that DIS may incur within the same time period; (ii) if credit terms have not been extended to Applicant, and provided no part of the Product is a special order item, Applicant shall pay the quoted sales price and applicable taxes upon the delivery of any part of the Product, and where the Product is to be delivered to a specific location (other than DIS's warehouse), Applicant shall also pay at the time of delivery the freight and insurance charges that DIS may incur; and (iii) if credit terms have not

been extended to Applicant and the Product is a special order item, Applicant shall pay the quoted sales price and applicable sales taxes at the time the order is accepted by DIS, and where the Product is to be delivered to a specified location (other than DIS's warehouse), Applicant shall also pay at the time the order is accepted by DIS, the freight and insurance charges that DIS may incur.

If Applicant fails to pay DIS by the Payment Due Date, or if DIS has doubts as to Applicant's ability or intent to pay for the Product by the Payment Due Date, or if Applicant commits any other act or omission whereby DIS is damaged in any way, Applicant shall have defaulted under the terms of this Application for Credit. In the event of default by Applicant, DIS may, at its option and in its absolute discretion: (i) charge a one and one-half percent (1 1/2%) per month or eighteen percent (18%) per annum interest on the unpaid amount; (ii) immediately suspend, delay or otherwise stop delivery of the Product, and DIS shall not be liable for any delays and/or damages that Applicant or any third party may suffer as a result of the suspension or stopping of delivery; (iii) apply any payment received to the oldest balances carried on DIS's books or to satisfy late charges, accrued interest or any collection costs; (iv) where not all Product has been delivered, terminate the sale and declare the sales price of any Product delivered, including any freight, insurance and taxes related thereto, as well as any late charges, accrued interest and any collection costs immediately due and payable; (v) retain any of the Applicant's assets in DIS's possession to secure the indebtedness; and/or (vi) pursue any other right or remedy available to DIS under this Application for Credit or applicable law. All rights and remedies of DIS shall be cumulative and may be exercised successively or concurrently and without impairing DIS's rights or remedies under this Application for Credit. DIS does not waive or subordinate any of its contractual, common law or statutory rights.

Applicant agrees that in the event of Applicant's default and regardless of whether or not a legal action is actually filed, DIS shall be paid and reimbursed upon demand all costs and damages incurred, which shall include, but are not limited to: (i) fees and/or costs DIS incurs to collect from Applicant amounts that may be owed to DIS, including any collection agency fees or commissions; and (ii) any other costs or damages that DIS may incur.

In the event a legal action or proceeding is initiated to enforce the payment provisions of this Application for Credit (collectively "Dispute"), the Dispute shall be construed in accordance with the applicable laws of the State of California.

If any action or proceeding for the enforcement of the terms of this Application for Credit is brought with respect to or because of a Dispute, including because of breach, default, or misrepresentation in connection with this Application for Credit, the prevailing party shall be entitled to recover reasonable attorney's fees and costs, in addition to any other relief to which it may be entitled.

4. Security Interest: Applicant hereby authorizes DIS at any time, and from time to time, record notices of lien and to file any initial financing statements, amendments thereto, and continuation statements, with or without the signature of Applicant as authorized by applicable law with respect to collateral in any initial finance statements or amendments as "all assets" or "all personal property" of Applicant.

5. Withdrawal of Credit and Cancellation of Product Orders: DIS may withdraw the extension of credit or decline to sell Product to Applicant at any time and for any reason. In the event DIS withdraws credit or declines to sell Product to Applicant, DIS shall not be liable for any damages that Applicant or any other person, firm, or entity may sustain or incur as a result of such withdrawal. If, after this Application for Credit is issued and after Product is ordered, Applicant cancels all or part of the Product ordered: (i) Applicant shall be liable for the cancellation charges as stated above under returns or (ii) if, all or part of the Product ordered is/are a special order item(s), then the order and this Application for Credit may not be cancelled and Applicant shall pay the quoted sales price and applicable taxes for the Product, and where the Product is to be delivered to a specific location (other than DIS's warehouse), Applicant shall also pay the freight and insurance charges that DIS may incur.

6. Warranty and Limitation on Liability: Upon delivery of the Product, Applicant shall immediately inspect the Product to determine whether all or part of the Product is, in any way, defective or non-conforming. If the Applicant determines that the Product is defective or non-conforming, Applicant shall immediately reject delivery of the Product. If the Applicant does not immediately reject the delivery of the Product, Applicant shall be deemed to have accepted the Product in the condition received and the Product shall be deemed to be conforming and not defective.

THE PRODUCT IS SOLD "AS IS" WITH ALL RISK OF QUALITY AND PERFORMANCE OF THE PRODUCT ON THE APPLICANT. THE WARRANTY TO BE GIVEN WITH RESPECT THE PRODUCT SHALL BE THE ORIGINAL MANUFACTURER'S WARRANTY ("MANUFACTURER'S WARRANTY"), AND NO OTHER WARRANTY, EXPRESS OR IMPLIED IS GIVEN. THE ORIGINAL MANUFACTURER'S WARRANTY IS APPLICANT'S SOLE AND EXCLUSIVE REMEDY AGAINST DESERT INDUSTRIAL SUPPLY, THE ORIGINAL MANUFACTURER, AND ANY DEALER OR DISTRIBUTOR OF THE PRODUCT, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, DESERT INDUSTRIAL SUPPLY HEREBY DISCLAIMS AND APPLICANT HEREBY WAIVES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF DESERT INDUSTRIAL SUPPLY, THE ORIGINAL MANUFACTURER, AND ANY DEALER OR DISTRIBUTOR OF THE PRODUCT, AND ALL RIGHTS, CLAIMS AND REMEDIES OF APPLICANT AGAINST DESERT INDUSTRIAL SUPPLY, THE ORIGINAL MANUFACTURER, AND ANY DEALER OR DISTRIBUTOR OF THE PRODUCT, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OTHERWISE, WITH RESPECT TO ANY NON-CONFORMANCE OR DEFECT IN OR LATE DELIVERY OF THE PRODUCT, INCLUDING, BUT NOT LIMITED TO: (I) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (II) ANY IMPLIED WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (III) ANY OBLIGATIONS, LIABILITIES, RIGHTS, CLAIMS OR REMEDIES IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF DESERT INDUSTRIAL SUPPLY, THE ORIGINAL MANUFACTURER, OR ANY DEALER OR DISTRIBUTOR OF THE PRODUCT, ACTUAL OR IMPUTED; (IV) ANY OBLIGATIONS, LIABILITIES, RIGHTS, CLAIMS OR REMEDIES FOR ANY OTHER SPECIAL, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES TO PERSONS OR PROPERTY BASED ON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL THEORY.

If during the manufacturer's warranty period, Applicant believes all or a portion of the Product is defective, Applicant must give DIS written notice ("DIS Warranty Notice") of any such defect within seven (7) days of the first date Applicant becomes aware of the defect and by no later than the expiration of the manufacturer's warranty period. Provided Applicant timely serves DIS with a warranty notice and pays for the return of the allegedly defective Product to DIS's business warehouse (identified on page 1 of the Application for Credit), DIS will, within a reasonable time after receipt of Applicant's warranty notice and the returned product, forward the Product to the original manufacturer to determine whether the Product is defective. If the Product is found to be defective, the Product shall be warranted in accordance with the manufacturer's warranty. If the manufacturer determines the Product is not defective, Applicant agrees to pay DIS the cost to ship the product to the original manufacturer, as well as the original manufacturer's reasonable and customary labor rates to inspect and verify the Applicant's warranty notice.

The manufacturer's warranty does not warrant the following: (i) the operation, malfunction, or failure of any system into which the Product has been installed, incorporated, linked or tied; (ii) defects caused by Applicant's or any other person, firm or entity's failure to properly install the Product; (iii) failure or defects caused by acts of God (including but not limited to, fire, strike, riot, terrorism, and war); (iv) failure or defects caused by Applicant's or any other person, firm or entity's negligence in handling, operating, installing, servicing or maintaining the Product; (v) damage caused to the Product as a result of Applicant's or any other person, firm or entity's use of the Product for purposes other than those for which the Product was designed; and (vi) any other abuse or misuse by the Applicant or other person, firm or entity. No representation is made that the Product or its use or sale does not infringe any patents, trademarks or trade names to other intellectual property rights of third parties. Applicant agrees to release DIS and the original manufacturer, distributors and dealers of the Product from any and all such claims for such infringement.

7. General Provisions: Except as otherwise provided herein, this Application for Credit may not be amended, modified, supplemented, cancelled or discharged, except by written instrument executed by the Parties hereto. Applicant shall not assign the Application for Credit or any of the Applicant's rights or obligations hereunder without the prior written consent of DIS, which consent may be withheld for any reason. If any term, provision or condition of the Application for Credit, including these Terms and Conditions, is held to be invalid, void, or unenforceable by a court or forum of competent jurisdiction, the remaining provisions shall continue in full force and effect. All obligations arising prior to the termination of the Application for Credit and all provisions of the Application for Credit allocating the responsibility or liability of the Applicant shall survive termination of this Application for Credit. No waiver of any breach of any provision of this Application for Credit shall be held to be a waiver of any other provision or subsequent breach of the same provision, and the other provision or subsequent breach of the same provision, and the failure of DIS to enforce at any time any provision hereof shall not be deemed to be a waiver of any right of DIS to subsequently enforce such provision or any other provision hereof.

Nothing contained in the Application for Credit shall create a contractual relationship with a third party, or a cause of action in favor of a third party against DIS, nor shall it be construed to create a dealership, distributorship or franchise relationship with the Applicant. The Application for Credit simply sets forth the terms and conditions under which credit will be extended and

Product will be sold to Applicant. The individuals executing this Application for Credit warrant that they have read and understand its provisions, and that they are authorized to bind the parties for whom they sign. This Application for Credit represents the entire understanding of the parties with respect to its subject matter and supersedes all prior proposals and understandings between them with respect to its subject matter. Any representations, promises, warranties or statements by DIS's agents that differ from these Terms and Conditions shall be given no force or effect.

GUARANTY

This Guaranty ("**Guaranty**") is made as of _____ (the "Effective Date") by _____ ("**Guarantor**"), in favor of Desert Industrial Supply ("**DIS**").

Guarantor desires to have DIS grant credit terms to _____ ("Applicant") as described in the attached Application for Credit. DIS has advised Guarantor that no credit will be allowed to Applicant without Guarantor personally guaranteeing, by this Guaranty, all sums owed to DIS by Applicant.

In consideration of the granting of credit to Applicant by DIS, and in accordance with the terms of the attached Application for Credit, Guarantor agrees to unconditionally guarantee all of the obligations of Applicant under the Application for Credit.

1. **Guaranty.** Guarantor hereby irrevocably guarantees to DIS and its successors and assigns the full, prompt and faithful performance by Applicant of all its obligations under the Application for Credit, including but not limited to the prompt payment of any and all past, present and future charges and payments due to DIS by Applicant for goods sold to Applicant by DIS, including sums due prior to execution of this Guaranty but unpaid at this time, and sums for all merchandise back ordered or to be shipped from the factory as of date of termination of this Guaranty.

Guarantor hereby further agrees to defend, indemnify and hold harmless DIS and its directors, officers, employees, shareholders, successors and assigns, from and against all losses, costs, damages, liabilities, claims, actions, judgments, court costs and legal and other expenses (including, without limitation, attorneys' fees and costs) (collectively, "**Costs**") which it may incur (directly or indirectly) as a consequence of any violation by Applicant of any of its obligations under the Application for Credit or any other obligation of Applicant with respect to its purchase of merchandise or product from DIS, including without limitation any expenses incurred by DIS in having to engage a third party to enforce this Guaranty. (All obligations of Guarantor described in this Section 1 are collectively referred to herein as the "**Guaranteed Obligations.**")

2. **Remedies.** If Guarantor fails to promptly perform its obligations under this Guaranty, DIS may from time to time, and without first requiring performance by Applicant or exhausting any other remedy available to DIS, bring any action at law or in equity or both to compel Guarantor to perform its obligations hereunder, and to collect in any such action compensation for all Costs sustained or incurred by DIS as a direct or indirect consequence of the failure of Guarantor to perform its obligations hereunder, together with interest thereon at the maximum legal rate under the laws of the State of California.

3. **Rights of Applicant.** Guarantor hereby authorizes DIS and/or Applicant, without giving notice to Guarantor or obtaining Guarantor's consent and without affecting the liability of Guarantor, from time to time to: (a) renew or extend all or any portion of Applicant's obligations under the Application for Credit; (b) make changes in the dates specified in the Application for Credit, or to enter into and thereafter modify any other agreements with Applicant with respect to its purchase of merchandise or product from DIS; (c) otherwise modify the terms of the

Application for Credit; (d) assign this Guaranty in whole or in part to any third party for enforcement; and (e) assign, transfer or negotiate all or any part of the Guaranteed Obligations.

4. **Guarantor's Waivers.** Guarantor explicitly waives: (a) any defense based upon any legal disability or other defense of Applicant, any other guarantor or other person, or by reason of the cessation or limitation of the liability of Applicant from any cause other than full performance of all obligations of Applicant under the Application for Credit or under any other documents or agreements to which Applicant is a party with respect the purchase of merchandise or product from DIS; (b) any defense based upon any lack of authority of the officers, directors, managers or agents acting or purporting to act on behalf of Applicant or any defect in the formation of Applicant; (c) any defense based upon any party's failure to disclose to Guarantor any information concerning Applicant's financial condition or any other circumstances bearing on Applicant's ability to perform its obligations under the Application for Credit; (d) any defense based upon any statute or rule of law which provides that the obligation of a guarantor must be neither larger in amount nor in any other respects more burdensome than that of a principal; (e) any defense based upon the election of DIS (or any assignee's thereof) in any proceeding instituted under the Federal Bankruptcy Code or any successor statute; (f) any defense based upon any provision of the Federal Bankruptcy Code; (g) any right of subrogation, any right to enforce any remedy which Guarantor may have against Applicant; (h) presentment, demand, protest and notice of any kind; (i) the benefit of any statute of limitations affecting the liability of Guarantor hereunder or the enforcement hereof; and (j) without limiting the generality of the foregoing or any other provision hereof, any rights and benefits which might otherwise be available to Guarantor, to the extent applicable, under California law, including without limitation under California Civil Code Sections 2787 to 2855, inclusive and 3433.

These rights and defenses being waived by Guarantor include, but are not limited to, any other rights and defenses waivable under the statutory and common law of the State of California. Without limiting the generality of the foregoing or any other provision hereof, Guarantor further expressly waives to the extent permitted by law any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to Guarantor under any of such statutes or common law.

5. **Guarantor's Warranties.** Guarantor warrants and acknowledges that: (a) DIS would not enter into the Application for Credit with Applicant but for this Guaranty; (b) there are no conditions precedent to the effectiveness of this Guaranty; (c) Guarantor has established adequate means of obtaining from sources other than DIS, on a continuing basis, financial and other information pertaining to Applicant's financial condition, and the status of Applicant's performance of its obligations under the Application for Credit, and Guarantor agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Guarantor's risks hereunder and neither Applicant nor DIS has made any representation to Guarantor as to any such matters; and (d) Guarantor has not and will not, without the prior written consent of Applicant, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein, other than in the ordinary course of Guarantor's business, prior to the completion of all of Applicant's obligations to DIS under the Application for Credit and Guarantor's obligations hereunder.

6. **Attorney's Fees; Enforcement.** If any attorney is engaged by DIS (or any successor or assign thereof) to enforce, defend, or advise DIS concerning any provision of this Guaranty, or as a consequence of any default with respect to the Guaranteed Obligations, with or without the filing of any legal action or proceeding, and including, without limitation, any fees and expenses incurred in any bankruptcy proceeding of Applicant, then Guarantor shall immediately pay to DIS, upon demand, the amount of all attorney's fees, costs, and expenses incurred by DIS (or any successor or assign thereof), together with interest thereon at the maximum legal rate under the laws of the State of California.

7. **Governing Law.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and performed entirely in such State, except to the extent preempted by federal laws, and without reference to any conflict of laws provisions. Guarantor and all persons and entities in any manner obligated to DIS under this Guaranty consent to the jurisdiction of any federal or state court within the State of California having proper venue and also consent to service of process by any means authorized by California or federal law.

8. **Miscellaneous.** The provisions of this Guaranty will inure to the benefit of the nominees, successors and assigns of DIS and bind the successors and assigns of Guarantor. The liability of all persons and entities that are in any manner obligated hereunder shall be joint and several. If any provision of this Guaranty shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Guaranty and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty.

9. **Termination.** This Guaranty is a continuing one until terminated by Guarantor in writing by registered mail return receipt requested to DIS at the following address: 44957 Yucca Avenue, Lancaster, California 93534. The termination shall be effective 15 days after receipt of written notice by DIS.

10. **Community Property.** Any married person who signs this Guaranty hereby expressly agrees that recourse under this Guaranty may be had against both his or her separate property and community property.

AGREED AND ACCEPTED.

GUARANTOR:

GUARANTOR:

[printed name]

[printed name]