

# 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
-----------	--	---	---	---	--	---

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:**

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Plumbing Contractor | <input type="checkbox"/> General Contractor    | <input type="checkbox"/> Mechanical Contractor      |
| <input type="checkbox"/> Mobile Home         | <input type="checkbox"/> Wholesale Distributor | <input type="checkbox"/> Retail Store               |
| <input type="checkbox"/> Property Manager    | <input type="checkbox"/> Other (explain) _____ | <input type="checkbox"/> 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.***

### Personal Guarantee

In consideration of advances, and/or extensions of credit for merchandise to be sold or delivered to the Applicant above named by **Desert Industrial Supply**, and as an inducement to make such advances and/or sales and deliveries, the undersigned jointly and severally, unconditionally guarantee the payment of any an all sums of money as are now, or at any time hereafter maybe, owing to **Desert Industrial Supply** by said Applicant, on account of such advances and/or sales and deliveries, in accordance with the terms, conditions and agreements contained in this Application, together with such interests, costs and expenses, including reasonable attorney's fees, as may be incurred by **Desert Industrial Supply** in enforcement of this Guaranty, whether or not suit is commenced. The undersigned hereby waive notice of: acceptance hereof, notice of extension of credit to Applicant, presentment, and demand for payment on Applicant, protest and notice to undersigned guarantor or guarantors of dishonor or default by Applicant or with respect to any security held, extension of time of payment to Applicant, acceptance of partial payment of partial compromise, demand for payment under this guarantee, amount of advances and/or sales and deliveries, terms of credit, date of shipment or delivery, extensions of time of payment and/or default in payment, all other notices to which the undersigned guarantor or guarantors might otherwise be entitled and further waive legal proceedings by **Desert Industrial Supply** against said Applicant.

This is intended to be and is a continuing guaranty and shall not be revoked except by written notice to **Desert Industrial Supply** not to make any further advances and/or sales and deliveries on the security of this Guaranty and until the expiration of five (5) business days after such notice shall have been received by **Desert Industrial Supply** by registered mail, return receipt requested. Any such revocation shall be effective only with respect to advances made and/or merchandise shipped or delivered after the expiration of said five-day period, and shall not affect, in any respect, liability incurred by the undersigned prior to that time. If any of the undersigned is married, he warrants and represents that the execution of this Guaranty is made for the benefit of the undersigned and his/her spouse with the intent to bind the martial community.

Date: \_\_\_\_\_ Signature Guarantor: \_\_\_\_\_

Date: \_\_\_\_\_ Signature Guarantor: \_\_\_\_\_ (Spouse)

Date: \_\_\_\_\_ Signature Guarantor: \_\_\_\_\_

Date: \_\_\_\_\_ Signature Guarantor: \_\_\_\_\_ (Spouse)

Signatures of Officers if Corporations, General Partners if Partnership, Owners if Sole Ownership, are required.

**\*Note: This application will not be processed unless properly signed.**

### 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.
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. It is considered past due if payment is not received by EOM. Invoices will be mailed and or faxed to you and is it's own request for payment and is payable according to terms.

\*\*\*\*\*

To help keep your account as accurate as possible, we need the following information to accompany your payment:

- a. A list of invoices being paid.
- b. When an adjustment is necessary, please let us know the invoice number and the reason for the adjustment

\*\*\*\*\*

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 will NOT be allowed.***

4. **Statements:** After the close of our billing period, you will be sent a statement listing invoices charges in that billing period, credit applied to your account and payments received. 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: Temporary COD** - invoices are due no later than the EOM after purchase. If payment is not rec'd within 30 days after that date (being over 60 days due) your account can be placed on temporary COD until payment is rec'd. **Credit Hold** - if your account still remains unpaid you are subject to a credit hold status, meaning you will not be able to purchase any product - not even COD.

**Permanent COD** - Accounts that are repeatedly over 30 days past due can be placed on COD permanently.

**Service Charges** - Accounts with balances 60 days and older will be assessed a 1.5% per month (18% per annum) service charge.

**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 material at the job site, please have your agent go over the material with our driver and note any discrepancies on the delivery receipt.

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

a. All Claims must be made within 3 days after the delivery of goods.

b. No merchandise 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 restocking, 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%** - All regularly inventoried material that is in good and resalable condition.

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

3. **30%** - Special order material will be subject to a 30% handling charge, plus manufacturers 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 my 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 this Application for Credit, the term "delivery" as it pertains to any equipment, materials or supplies ("Product") ordered shall mean 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, in addition to the sales price and applicable taxes related thereto for the Product, the freight and insurance charges that DIS incurs to deliver the Product to a specified location. 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 eh 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-1-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-2-; (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 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 default by Applicant and regardless of whether or not a legal action is actually filed, and in addition to any fees and/or costs DIS incurs in any action to collect amounts that may be owed to DIS, DIS shall be paid and reimbursed all costs and damages incurred, which shall include, but not limited to: (i) any collection agency fees or commissions; (ii) the actual attorney's fees, professional fees and costs that DIS may incur; and (iii) any other costs or damages that DIS may incur. In the event legal action is necessary 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. Should DIS be found to be the prevailing party in any such Dispute, the judge or trier-of-fact shall award DIS the amount of its claim found to be due, as well as the actual attorney's fees, professional fees and costs DIS expended with respect to the Dispute.

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. 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 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 reject delivery of the Product. If the Applicant does not 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 not defective and conforming.

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 is held to be invalid, void or unenforceable by the court or forum of competent jurisdiction, then 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 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.