

APPLICATION FOR BUSINESS CREDIT

Confidential



The business entity hereby applying for credit from Hyspan Precision Products Inc, including any and all of its subsidiaries, affiliates and unincorporated divisions as such may exist from time to time ("Hyspan"), is referred to as the "Applicant" for purposes of this Application for Business Credit ("Application"). This Application shall consist of this information page and the Terms and Conditions attached hereto and made a part hereof (the "Terms and Conditions.")

* Indicates required field.

APPLICANT INFORMATION		
*Applicant Name:	*Phone: ()	Fax: ()
*Street Address:		AP E-Mail:
*City:	*State:	*Zip:
AP Contact Name:	Phone: ()	Fax: ()
*Main Line of Business:	*Date Established:	Dun & Bradstreet #:
<input type="checkbox"/> Corporation: <input type="checkbox"/> Division of <input type="checkbox"/> Subsidiary of	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other (please specify):	

OWNERS, PARTNERS, MEMBERS or OFFICERS (Please note: Social Security Number is <u>not</u> required if Applicant is a corporation.)					
*Name:	*Title:	*SSN:	*Name:	*Title:	*SSN:

REFERENCES			
*Bank Reference:	*Account Number:	*Trade Reference:	*Account Number:
City/State:	E-Mail:	City/State:	E-Mail:
*Phone: ()	*Fax: ()	*Phone: ()	*Fax: ()
*Trade Reference:	*Account Number:	Trade Reference:	Account Number:
City/State:	E-Mail:	City/State:	E-Mail:
*Phone: ()	*Fax: ()	Phone: ()	Fax: ()

TAX STATUS <input type="checkbox"/> Taxable <input type="checkbox"/> Exempt (Attach exemption certificate)	All invoices from Hyspan will be sent electronically.
	Email address to be sent to:

AGREEMENT AND ACKNOWLEDGMENT		
The undersigned hereby warrants and represents (i) that he or she is a duly authorized representative of the Applicant with full legal authority to bind the same by the execution of this Application and (ii) that the information set forth in this Application is provided for the purpose of obtaining credit from Hyspan and is true and correct. The undersigned hereby acknowledges and agrees (i) that Hyspan may obtain information concerning the Applicant from any credit-granting institution, (ii) that this Application shall govern Hyspan's review of Applicant's credit history and shall constitute the agreement between Applicant and Hyspan governing the provision of credit upon Hyspan's subsequent acceptance by any means, whether written or oral, of Applicant's request for credit, (iii) that effective upon any acceptance by Hyspan of this Application, all sales of goods or services to Applicant will be governed by Hyspan's standard terms and conditions of sale and as the same may be modified from time to time and (iv) that Hyspan's provision of credit for the supply of goods and services shall constitute fair and sufficient consideration in exchange for the applicability of such standard terms and conditions of sale.		
The undersigned agrees and acknowledges that terms of payment shall be net 30 days (paid via ACH or check only) and that past due balances are subject to service charges at the rate of 1 ½ percent per month; <u>provided, however</u> , that such terms may change based upon revisions to Hyspan's standard terms and conditions of sale as the same may be in effect from time to time and that undersigned will be liable for all collection costs incurred by Hyspan, including without limitation, attorney's and collection agency fees and the related disbursements. Hyspan reserves the right to convert any payment into electronic funds at their discretion.		
* SIGNATURE	* TITLE:	* DATE:

PERSONAL GUARANTY

In consideration of credit being extended by Hyspan to Applicant, I/we hereby personally guarantee to Hyspan payment of any obligation of Applicant and agree to be bound to pay Hyspan on demand any sum that may become due to Hyspan from Applicant. It is understood and agreed that this guaranty shall be a primary, absolute, continuing and irrevocable guaranty and indemnity for such indebtedness and will not be subject to any counterclaims, set-offs, other deductions or defenses. I/We hereby waive notice of default, non-payment or non-performance, dishonor, protest, presentment, diligence, promptness, creation, renewal, accrual, extension, proof or reliance and agree to be bound by all applicable terms and conditions set forth in this Application, including the Terms and Conditions. This Guaranty will not be released, discharged, terminated, modified, affected or impaired by any occurrences or circumstances whatsoever, including without limitation, any insolvency, bankruptcy, reorganization or other similar proceeding affecting Applicant or its assets or any negotiations or course of dealing between Hyspan and the Applicant. If any of the undersigned is not an "applicant for credit" under 12 C.F.R. Section 202.2(e) of the regulations enacted under the Equal Credit Opportunity Act of 1974 ("ECOA"), such person acknowledges that (a) this guaranty has been executed to provide credit support for Applicant under this Application, and (b) such party was not required to execute this guaranty in violation of 12 C.F.R Section 202.7(d) of ECOA. This guaranty shall be binding upon the heirs, administrators, successors and assigns of the undersigned.			
Print Name:	Date:	Print Name:	Date:
SSN:		SSN:	
(Sign) JOINTLY AND INDIVIDUALLY	Date:	(Sign) JOINTLY AND INDIVIDUALLY	Date:
Witness: (Sign) _____ Name:		Witness: (Sign) _____ Name:	

TERMS AND CONDITIONS OF APPLICATION FOR BUSINESS CREDIT

Applicant hereby agrees and acknowledges the following: *Date: _____ *Signature _____ Name: _____

1. Hyspan and any of its employees, officers or agents (collectively, "Hyspan Parties") hereby are authorized to contact the trade and bank references identified in this Application and to obtain such additional information as they may require concerning Applicant's creditworthiness, and Applicant hereby waives any and all claims against, and fully releases from liability, any and all Hyspan Parties with respect to any such inquiry.
2. Any representatives of any of the trade or bank references identified in this Application are authorized to disclose to the Hyspan Parties any information pertaining to Applicant's credit history requested, including, without limitation, information regarding Applicant's loans, accounts, purchases or other financial transactions involving the bank or trade reference in the past, present and future, and Applicant hereby waives any and all claims against, and fully releases from liability, any such representatives with respect to any such disclosure.
3. At any time while this Application is pending and throughout any period during which Hyspan has extended business credit to Applicant for which it has not yet been reimbursed, Hyspan may obtain credit reports (including, without limitation, consumer credit reports) regarding Applicant as well as its principal(s), proprietor(s) and/or guarantor(s) in connection with the extension or continuation of business credit provided by Hyspan to Applicant pursuant to or in connection with this Application. Applicant hereby consents to the use of any such credit report consistent with the Federal Fair Credit Reporting Act as set forth in U.S.C. §§ 1681 et seq. Furthermore, Hyspan is authorized to share information regarding the extension of business credit to Applicant pursuant to this Application, including, without limitation, Applicant's future credit record with Hyspan, with any credit-reporting agency if such information is specifically requested from Hyspan.
4. Hyspan may reject this Application in its sole and absolute discretion. Hyspan may cancel or modify Applicant's business credit granted as a result of this Application at any time in Hyspan's sole and absolute discretion.
5. Upon Hyspan's request at any time, Applicant shall provide to Hyspan, within ten business days, Applicant's most current regularly prepared financial statements, including, without limitation, a full and complete statement of Applicant's assets and liabilities.
6. 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 Credit Protection Act. The Federal agency that administers compliance with this law concerning applicants is the Federal Trade Commission, ECOA Compliance, Washington, DC 20581.
7. Applicant hereby agrees and acknowledges that it is its intent in executing this Application that all sales made by Hyspan to Applicant based upon any credit extended by Hyspan to Applicant pursuant to or in connection with this Application will be governed by Hyspan's standard terms and conditions of sale as the same may be in effect from time to time.
8. The validity, interpretation and performance of this Agreement and any dispute arising under, pursuant to or in connection with the execution, performance or termination hereof will be governed by and construed in accordance with the laws of the State of California, without reference to any conflicts of law principles. The sole and proper venue for any dispute arising out of this Application and any subsequent credit relationship resulting from this Application shall be in the state and Federal courts situated in San Diego County, California, depending upon (a) which has the appropriate subject matter jurisdiction and (b) the amount in controversy.
9. To secure the full and timely payment by Applicant to Hyspan of all now existing and hereafter arising amounts due Hyspan, Applicant hereby grants to Hyspan a priority security interest and lien in and to all goods, inventory, equipment and fixtures sold to Applicant by Hyspan from time to time, and all other assets of Applicant, including, without limitation, all of Applicant's now existing or owned or hereafter arising or acquired (a) accounts; (b) goods for sale, lease or other disposition by Applicant which have given rise to Accounts and have been returned to or re possessed or stopped in transit by Applicant; (c) chattel paper, electronic chattel Paper, tangible chattel paper, documents of title, instruments, documents, general intangibles, payment intangibles, letter of credit rights, letters of credit and supporting obligations; (d) goods, including, without limitation, inventory, equipment, fixtures, trade fixtures and vehicles; (e) investment property; (f) deposits, cash and cash equivalents and any property of Applicant now or hereafter in the possession, custody or control of Hyspan; (g) deposit accounts held with any depository institution; (h) all other personal property of Applicant of any kind or nature; and (i) all commercial tort claims (the "Assets") and all cash and non-cash proceeds of all of the foregoing property, including, but not limited to, proceeds of all insurance policies insuring the foregoing. Applicant hereby authorizes Hyspan to file and perfect all statutory lien rights and any rights under indemnity or performance bonds at any time following submission of this Application regardless of whether payment is due to Hyspan under Hyspan's payment terms with Applicant. Applicant hereby authorizes Hyspan to prepare and file any Uniform Commercial Code ("UCC") financing statements, amendments to UCC financing statements and any other filings or recordings in all jurisdictions Hyspan deems appropriate without Applicant's signature and authorizes Hyspan to describe the collateral in such financing statements in any manner Hyspan deems appropriate.
10. This Application sets forth all of the terms and conditions applicable to the parties relating to the matters specified in this Application and supersedes all prior and contemporaneous agreements and understandings, negotiations, inducements, representations or conditions, whether oral or written, whether express or implied, with respect to such matters, provided that Hyspan may modify the credit agreement comprised of this Application upon written notice to Applicant in Hyspan's sole and absolute discretion from time to time.
11. **GENERAL TERMS AND CONDITIONS:** Applicant may not assign this Agreement without Hyspan's prior written consent. Written or electronic provisions govern. All designs and specifications shown in Hyspan's catalog are subject to change without notice. The applicant shall remain primarily liable for the purchase price, and the Hyspan shall not be obliged to accept any term or condition of payment which would shift said liability to a third person not a party to the contract of sale, whether such third person is the United States Government, its agents, or instrumentalities. Shipping weights and dimensions given in Hyspan's catalog are not guaranteed. No claims shall be allowed because of any discrepancy between actual weights or dimensions of material shipped and listed data. All material is carefully packed for shipment, and Hyspan shall not be responsible for loss, delay, or breakage after having received, in good order, receipts from the transportation company. All claims for breakage, loss, delay, and damage area required to be made to carriers, but Hyspan shall render applicant all possible assistance in securing satisfactory adjustment of such claims. In the absence of directions, goods shall be shipped by the method and via carrier Hyspan believes dependable. Goods held in factory beyond delivery date for convenience of applicant shall be invoiced on date of completion and terms of payment shall apply as from invoice date. Such goods shall be subject to charges for warehousing and other expenses incident to such delay. Orders are not subject to cancellation or change in specifications, shipping schedules, or other conditions originally agreed upon without Hyspan's consent, and then only upon agreement to compensate Hyspan for loss caused by such cancellation or changes. No cost analysis of the cost of manufacturing or the equipment sold shall be supplied, and no examination or audit of Hyspan's books and records shall be permitted for any reason whatsoever. No responsibility or liability shall be taken for import duties, laws, regulations, or taxes imposed by any foreign country. Any manufacturer's excise tax, use tax, sales tax, or tax or duty of any nature whatsoever arising out of or assessed against orders, shall be added to the prices quoted or invoiced and shall be paid by the applicant; in the event Hyspan is required to pay any such taxes or duties, the applicant shall reimburse Hyspan therefore, unless applicant shall provide Hyspan at the time an order is submitted with exemption certificates or other documents acceptable to taxing or customs authorities. Hyspan shall not be liable in any way for any default or delay in shipping due to contingencies beyond its control, or the control of its suppliers or subcontractors, which prevents or interferes with Hyspan making delivery on the date specified. In the event of delayed or extended shipping dates, and the applicant changes shipping instructions, any additional shipping charges shall be paid by the applicant as a part of the purchase price. No returns for credit shall be accepted unless Hyspan's permission has been obtained in each case in advance. If goods are held in the factory beyond the shipping date for applicant's convenience, the risk of loss shall pass to the applicant upon the date originally scheduled for shipping. The applicant shall pay all costs of insurance from the time the risk of loss passes to the applicant. Unless otherwise specified, applicant shall pay all costs of shipping. Hyspan's sole responsibility shall be to deliver the goods to the shipper at Hyspan's factory. In the event either party is required to bring an action in connection with these terms or conditions of sale, or any action in connection with collection of amounts due hereunder, the prevailing party shall be entitled to recover all its costs or expenses, including reasonable attorney's fees.
12. All sales to Applicant shall be governed by Hyspan's standard terms and conditions of sale that may be modified from time to time, including but not limited to the following terms:
 - A. **Disclaimer of Warranties.** Hyspan shall use its best reasonable efforts to obtain from its suppliers for the direct benefit of both Hyspan and Buyer such warranties as are normally offered by such suppliers in connection with the Goods being supplied by them. Hyspan shall give Buyer all reasonable assistance as may be required to enforce such warranties. **EXCEPT FOR THE FOREGOING, HYSPAN HEREBY DISCLAIMS AND EXCLUDES ANY AND ALL OTHER WARRANTIES REGARDING GOODS AND SERVICES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, IMPLIED WARRANTIES AGAINST DEFECTS IN DESIGN, MATERIALS AND WORKMANSHIP, AND THE WARRANTY AGAINST REDHIBITORY DEFECTS. WITH REGARD TO ANY AND ALL GOODS PURCHASED BY BUYER PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT, HYSPAN HEREBY DISCLAIMS AND EXCLUDES ANY AND ALL WARRANTIES THAT GOODS WILL CONFORM TO SPECIFICATIONS, DESIGNS OR SAMPLES AND WARRANTIES AGAINST PATENT, COPYRIGHT, TRADEMARK, AND ANY OTHER TYPES OF INTELLECTUAL PROPERTY RIGHT INFRINGEMENT UNDER THE LAWS OF ANY NATION, INCLUDING, WITHOUT LIMITATION, THE LAWS OF THE UNITED STATES OF AMERICA.**
 - B. **Limitation of Liability.** NOTWITHSTANDING ANYTHING ELSE CONTAINED HEREIN TO THE CONTRARY, IN NO EVENT WILL: (A) HYSPAN BE LIABLE TO BUYER FOR ANY CIRCUMSTANTIAL, CONSEQUENTIAL, CONTINGENT, EXEMPLARY, INCIDENTAL, INDIRECT, LIQUIDATED, MATERIAL, PUNITIVE, SPECIAL, SPECULATIVE OR OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, SALES OR REVENUES, COST OF REPLACEMENT GOODS, LOST BUSINESS OR BUSINESS INTERRUPTIONS, OR ATTORNEYS FEES OR COURT COSTS ARISING IN ANY MANNER PURSUANT TO OR IN CONNECTION WITH THE AGREEMENT, THE GOODS OR THE SERVICES (EVEN IF HYSPAN IS MADE AWARE OF THE POTENTIAL FOR SUCH DAMAGES); AND (B) HYSPAN'S TOTAL LIABILITY RELATED TO ANY GOOD OR SERVICE EXCEED THE PURCHASE PRICE OF SUCH GOOD OR SERVICE.