



CREDIT APPLICATION AND PURCHASE AGREEMENT

1350 Maras Street
Shakopee, MN 55379

www.starsealmn.com

(952) 884-9151
Fax (952) 445-3137

PERSONAL/COMMERCIAL INFORMATION

COMPANY NAME: _____

ADDRESS: _____

PHONE NUMBER (_____) _____ FAX (_____) _____

TYPE OF BUSINESS: _____ IN BUSINESS SINCE: _____

FORM OF OWNERSHIP:

SOLE PROPRIETOR PARTNERSHIP CORPORATION SUBSIDIARY OF _____

FED. TAX ID# _____ ARE PRODUCTS PURCHASED FOR RESALE? No Yes

(IF TAX EXEMPT PLEASE ATTACH EXEMPT FORM)

NAME OF OWNERS OR OFFICERS	TITLE	RESIDENTIAL ADDRESS	HOME OR CELL PHONE NUMBER

NAME(S) OF PERSONS AUTHORIZED TO MAKE PURCHASES: _____

BANK REFERENCE:

NAME _____ ACCT# _____ CITY, STATE _____

OFFICERTOCONTACT _____ PHONE(_____) _____

NAME _____ ACCT# _____ CITY, STATE _____

OFFICERTOCONTACT _____ PHONE(_____) _____

BUSINESS/TRADE REFERENCES: MUST BE COMPLETE

NAME _____ PHONE (_____) _____ FAX (_____) _____

ADDRESS _____ CITY, STATE, ZIP _____

NAME _____ PHONE (_____) _____ FAX (_____) _____

ADDRESS _____ CITY, STATE, ZIP _____

NAME _____ PHONE (_____) _____ FAX (_____) _____

ADDRESS _____ CITY, STATE, ZIP _____

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TERMS AND CONDITIONS

1. PAYMENT AND ACCOUNT STATUS. Payment is due within 30 days of the date of any invoice. Buyer's account shall be immediately closed with all balances immediately due and owing without notice and in the sole discretion of Star Seal of Minnesota, Inc., ("Star Seal") if Buyer or any guarantors voluntarily file or have filed against it an involuntary petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal bankruptcy code or any other present or future federal or state bankruptcy or insolvency law. Upon writing notice to Buyer, Star Seal has the right to (1) close Buyer's account at any time for any reason, with or without cause; (2) change these terms and conditions; or (3) sell, assign, or transfer Buyer's account. Buyer must notify Star Seal in writing if it desires to close its account, change its address, or change its legal business-status.

2. PURCHASE MONEY. Buyer warrants and represents that any materials and equipment purchased from Star Seal on credit was purchased with purchase money, as defined by Minnesota Statute Section 336 et seq., and that Star Seal will retain a purchase-money security interest in all materials and equipment until paid in full.

3. TENDER OF MATERIALS OR EQUIPMENT. Buyer shall have an agent at its facilities available to inspect the delivery and sign any invoices or bills of lading at the time that Star Seal tenders equipment or materials. Buyer or Buyer's agent must inspect all materials and equipment upon tender and must notify Star Seal of any claims for errors, shortages, damages, or defects prior to acceptance. If Buyer's agent signs for the equipment or materials, or if Buyer does not have an agent available to sign for the equipment or materials, Buyer is deemed to have accepted tender and shall have waived any claims for errors, shortages, damages, or defects and the acceptance is not capable of revocation.

4. WARRANTIES AND REPRESENTATIONS. Buyer warrants and represents that (1) Star Seal has the right to rely upon all representations of persons representing themselves to be agents of Buyer as to authority to make purchases on Buyer's behalf or on Buyer's account unless Star Seal received prior written notification from Buyer limiting the agents authorized to make purchases; (2) all financial information and other information purchased to Star Seal by Buyer and any guarantors represent the financial condition of them as of the dates supplied; and (3) it will not withhold, setoff, deduct, or retain payment against any amounts due to Star Seal for any alleged claims or charges.

5. DEFAULT. The following shall constitute a default ("Event of Default") under this agreement:

- a. Payment Default. Buyer fails or refuses to pay Star Seal when payment is due.
- b. Death or Insolvency. The dissolution of Buyer, any member withdraws from Buyer, or any termination of Buyer's existence as a going business or the death of any member, the insolvency of Buyer, the appointment of a receiver for any part of Buyer's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Buyer.
- c. Insecurity. Star Seal believes it is insecure. Star Seal shall not be required to provide notice or evidence of insecurity.
- d. False or Misleading Statements. Any warranty, representation, or statement made or furnished to Star Seal by Buyer or on Buyer's behalf is false or misleading in any respect, now, at the time made or furnished, or at any time thereafter.
- e. Change in Financial Position. Any adverse change occurs in Buyer's financial condition or Star Seal believes that the prospect of payment or performance is impaired.

6. REMEDIES UPON EVENT OF DEFAULT. In the Event of Default, Buyer shall pay a late fee of 1.5% per month, or the maximum allowed by law, on all unpaid balances. Star Seal may immediately commence any legal proceedings to enforce any or all of its legal rights.

7. ATTORNEYS' FEES AND COSTS. Buyer shall pay all of Star Seal's attorneys' fees and legal costs regardless of whether a lawsuit is commenced.

8. CHOICE OF LAW. Buyer agrees that this agreement is to be construed under the laws of the state of Minnesota without reference to any principals of conflict of laws.

9. PERSONAL JURISDICTION AND VENUE. Buyer agrees and consents to the jurisdiction and venue of the state courts in any county in the state of Minnesota or federal court for the District of Minnesota. Buyer specifically waives any objections to venue or personal jurisdiction.

10. LIMITATION OF RIGHTS. If Star Seal commences legal action, venue shall be in the sole discretion of Star Seal. If Buyer commences legal action, venue shall be in Minnesota state court, Scott County, except that Star Seal may, in its sole discretion, remove the matter to the federal district courts in Minnesota. If Buyer commences legal action in smallclaims court (conciliation court), Buyer hereby voluntarily waives its right to remove/appeal to district court. Regardless of venue, Buyer voluntarily waives any right to appeal to any appellate court including, but not limited to, the Minnesota Court of Appeals, Minnesota Supreme Court, 8th Circuit Court of Appeals, or United States Supreme Court.

THE ONLY WARRANTIES APPLYING TO ANY EQUIPMENT OR MATERIALS SUPPLIED BY STAR SEAL ARE THOSE WHICH MAY BE OFFERED BY THE MANUFACTURER. STAR SEAL HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY LIABILITY IN CONNECTION WITH THE SALE OF MATERIALS OR EQUIPMENT. BUYER SHALL NOT BE ENTITLED TO RECOVER FROM STAR SEAL ANY CONSEQUENTIAL DAMAGES, DAMAGES TO PROPERTY, DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFIT, OR INCOME, OR ANY OTHER INCIDENTAL DAMAGES.

11. VOLUNTARY AND KNOWING ACTION. Buyer represents and agrees that it has the opportunity to be represented by its own legal counsel, that it has thoroughly read and understands the terms of this agreement, and that it voluntarily enters into this agreement.

12. NO PRESUMPTION OF DRAFTING PARTY. Buyer warrants and represents that any statute or rule or construction that provides that ambiguities are to be resolved against the drafting party or parties shall not be employed in the interpretation of this agreement.

13. SEVERABILITY. To the extent any provision or part of this agreement is void or otherwise adjudicated to be void or contrary to the law, the rest of the agreement shall be effective and remain a binding agreement.

14. WAIVER. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by Star Seal.

15. COMPLETE AND BINDING AGREEMENT. This agreement memorializes the entire agreement with Buyer with respect to the matters set forth herein, is binding on Buyer and its heirs, successors, and assigns. Buyer acknowledges that there are no other claims, understandings, arrangements, promises, or representations, either written or oral, with respect to matters in this agreement. Buyer further agrees and acknowledges that there are no inducements or representations leading to its signing of this agreement except as may be contained herein.

16. BUSINESS PURPOSE. Buyer warrants and represents that any materials or equipment it buys from Star Seal are for business purposes and are not for family or household purposes.

17. AGREEMENT TO TERMS. By accepting and using Star Seal's equipment and materials Buyer agrees to these terms and conditions.

18. NOTICE. Buyer shall send all written notices by certified mail, return receipt requested, to: Star Seal of Minnesota, Inc., Attn: Matthew Griep, 1350 Maras Street, Shakopee, Minnesota 55379.

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COMMERCIAL GUARANTY

GUARANTEE OF PAYMENT AND PERFORMANCE. In consideration of providing credit, materials, and/or equipment to Buyer, Guarantor hereby absolutely and unconditionally guarantees full and punctual payment of Buyer to Star Seal of Minnesota, Inc. ("Star Seal"). Guarantor hereby also absolutely and unconditionally guarantees all of Buyer's other obligations under the Terms and Conditions. This is a guaranty of payment and performance and not of collection, so Star Seal can enforce this guaranty against Guarantor even when Star Seal has not exhausted its remedies against anyone else obligated to pay, including Buyer, against any collateral, or this Guaranty. Guarantor's liability is unlimited and Guarantor's obligations are continuing.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTY TO STAR SEAL THE FULL AND ACTUAL PAYMENT, PERFORMANCE, AND SATISFACTION OF THE OBLIGATIONS OF BUYER TO STAR SEAL, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Star Seal without the necessity of any acceptance by it, or any notice to Guarantor or to Buyer, and will continue in full force until revoked in writing by Guarantor and Star Seal. This Guaranty shall bind Guarantor's estate regardless of Star Seal's actual notice of Guarantor's death. It is anticipated that fluctuations may occur in the aggregate amount covered by this guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the indebtedness, even to zero dollars (\$0.00), shall not constitute a termination of this guaranty.

GUARANTOR'S AUTHORIZATION TO STAR SEAL. Guarantor authorizes Star Seal, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time:

- a. to make to sell equipment or materials or otherwise extend credit to Buyer;
- b. to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Terms and Conditions;
- c. to take and hold security for the payment of Star Seal, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral;
- d. to determine how, when and what application of payments and credits shall be made on Buyer's payments to Star Seal;
- e. to apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial as Star Seal, in its sole discretion, may determine;
- f. to sell, transfer, assign or grant participations in all or any part of the Buyer's indebtedness to Star Seal; and
- g. to assign or transfer this guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Star Seal that:

- a. no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty;
- b. this guaranty is executed at Buyer's request and not at the request of Star Seal;

- c. Guarantor has full power, right, and authority to enter into this Guaranty;
- d. the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree, or order applicable to Guarantor;
- e. Guarantor has not and will not, without the prior written consent of Star Seal, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein;
- f. upon Star Seal's request, Guarantor will provide to Star Seal financial and credit information in a form acceptable to Star Seal, and all such financial information which currently has been, and all future financial information which will be provided to Star Seal is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided;
- g. no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Star Seal and no event has occurred which may materially adversely affect Guarantor's financial condition;
- h. no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened;
- i. Star Seal has made no representation to Guarantor as to the creditworthiness of Buyer; and
- j. Guarantor has established adequate means of obtaining from Buyer on a continuing basis information regarding Buyer's financial condition. Guarantor agrees to keep adequately informed from such means of any fees, events, or circumstances which might in any way affect Guarantor's risks under this guaranty, and Guarantor further agrees that, absent a request for information, Star Seal shall have no obligation to disclose to Guarantor any information or documents acquired by Star Seal in the course of its relationship with Buyer.

DEFINITIONS. The following terms have the meanings prescribed below:

Terms and Conditions. The document with the same time executed by Buyer on the same date coordinate with this guarantee.

Buyer. The party that executed the Terms and Conditions.

Guarantor. The party or parties executing this guaranty.

DEFAULT. The following shall constitute a default ("Event of Default") under this agreement:

Payment Default. Guarantor fails or refuses to pay Star Seal when payment is due.

Death or Insolvency. The Death of Guarantor, the insolvency of Guarantor, the appointment of a receiver for any part of Guarantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Guarantor.

Insecurity. Star Seal believes it is insecure. Star Seal shall not be required to provide notice or evidence of insecurity.

False or Misleading Statements. Any warranty, representation, or statement made or furnished to Star Seal by Guarantor or on Guarantor's behalf that is false or misleading in any respect, now, at the time made or furnished, or at any time thereafter.



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COMMERCIAL GUARANTY (cont'd.)

Change in Financial Position. Any adverse change occurs in Guarantor's financial condition or Star Seal believes that the prospect of payment or performance is impaired.

REMEDIES UPON EVENT OF DEFAULT. Star Seal may commence any legal proceedings to enforce any or all of its legal rights.

ATTORNEYS' FEES AND COSTS. Guarantor shall pay all of Star Seal's attorneys' fees and legal costs regardless of whether a lawsuit is commenced.

CHOICE OF LAW. Guarantor agrees that this guarantee is to be construed under the laws of the state of Minnesota without reference to any principals of conflict of laws.

PERSONAL JURISDICTION AND VENUE. Guarantor agrees and consents to the jurisdiction and venue of the state courts in any county in the state of Minnesota or federal court for the District of Minnesota. Guarantor specifically waives any objections to venue or personal jurisdiction.

LIMITATION OF RIGHTS. If Star Seal commences legal action, venue shall be in the sole discretion of Star Seal. If Guarantor or Buyer commences legal action, venue shall be in Minnesota state court, Scott County, except that Star Seal may, in its sole discretion, remove the matter to the federal district courts in Minnesota. If Guarantor or Buyer commences legal action in small-claims court (conciliation court), Guarantor and Buyer voluntarily waive their right to remove/appeal to district court. Regardless of venue, Guarantor and Buyer voluntarily waive any right to appeal to any appellate court including, but not limited to, the Minnesota Court of Appeals, Minnesota Supreme Court, 8th Circuit Court of Appeals, or United States Supreme Court.

VOLUNTARY AND KNOWING ACTION. Guarantor represents and agrees that it has the opportunity to be represented by its own legal counsel, that it has thoroughly read and understands the terms of this agreement, and that it voluntarily enters into this agreement.

NO PRESUMPTION OF DRAFTING PARTY. Guarantor warrants and represents that acknowledge that any statute or rule or construction that provides that ambiguities are to be resolved against the drafting party or parties shall not be employed in the interpretation of this guaranty.

SEVERABILITY. To the extent any provision or part of this agreement is void or otherwise adjudicated to be void or contrary to the law, the rest of the guaranty shall be effective and remain a binding agreement.

WAIVER. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by Star Seal.

COMPLETE AND BINDING AGREEMENT. This agreement and the Terms and Conditions memorialize the entire agreement with Guarantor with respect to the matters set forth herein, is binding on Guarantor and its heirs, successors, and assigns. Guarantor acknowledges that there are no other claims, understandings, arrangements, promises, or representations, either written or oral, with respect to matters in this agreement. Guarantor further agrees and acknowledges that there are no inducements or representations leading to its signing of this agreement except as may be contained herein.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE IN THE MANNER SET FORTH IN THE SECTION ENTITLED "DURATION OF GUARANTY." NO FORMAL ACCEPTANCE IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE.

PARTIES HEREBY AGREE THAT ALL PURCHASES ARE SUBJECT TO THE TERMS AND CONDITIONS AS STATED ON PAGE 2 OF 4, PAGE 3 OF 4 AND PAGE 4 OF 4 OF THIS DOCUMENT:

NAME OF GUARANTOR (PRINT)

SIGNED

DATE

