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APPLICATION AND AGREEMENT FOR COMMERCIAL CREDIT TERMS AND GUARANTEE

For the purpose of establishing credit with TIMBER MOUNTAIN HARDWOODS, INC. ("TMHI"), the undersigned applicant, and, if more than one, each of them jointly and severally (hereafter collectively referred to as "Applicant(s)") furnishes the following information, agrees to the terms stated below and enters into a personal guarantee as follows:

A) Customer Information:

Date: _____ Credit Line Requested: _____
 Business Name: _____ Date Established: _____
 Ship Address: _____ City: _____
 Mail Address: _____ State: _____ Zip Code: _____
 Trade Name/DBA (if any) _____
 Corporation Partnership Limited Liability Co. Sole Proprietor
 Telephone: () _____ Fax : () _____ E-mail: _____
 Resale: Yes No Resale number: _____ Federal Tax I.D. No. _____
 Accounts payable contact: _____ Phone: () _____
 Purchasing agent: _____ Phone: () _____
 Purchase order required: Yes No

B) List below name(s) and address(es) of all principals, partners or officers (Attach additional page if necessary)

1. Name: _____ Title: _____
 Address: _____ City: _____ State: _____
 2. Name: _____ Title: _____
 Address: _____ City: _____ State: _____
 3. Name: _____ Title: _____
 Address: _____ City: _____ State: _____

The following individuals are authorized to approve sales transactions on behalf of the company:

1. Name: _____ Title: _____ Phone: () _____
 2. Name: _____ Title: _____ Phone: () _____

C) Trade References: (minimum of 3 industry related) (Attach additional page if necessary)

1. Company: _____ Name of Contact: _____
 Address: _____ Phone: () _____ Fax: () _____
 2. Company: _____ Name of Contact: _____
 Address: _____ Phone: () _____ Fax: () _____
 3. Company: _____ Name of Contact: _____
 Address: _____ Phone: () _____ Fax: () _____

D) Banking Information:

Principal Bank: _____ Branch: _____ Contact: _____
 Account number: _____ Phone: () _____ Fax: () _____
 Secondary Bank: _____ Branch: _____ Contact: _____
 Account number: _____ Phone: () _____ Fax: () _____

Have you ever filed for Bankruptcy protection? Yes No

If yes, when? _____ What state? _____

E) Terms: For and in consideration of extension of credit and as a part of each invoice for goods sold, the Applicant, and if more than one, each of them jointly and severally, (hereinafter jointly and severally "Applicant(s)") agrees with Timber Mountain Hardwoods, Inc. ("TMHI") as follows ("The Agreement").

Payment and Delivery Terms: All invoices shall be paid pursuant to terms of payment specified in the invoice(s) issued by TMHI to applicant. A late fee of 1 1/2% per month (18% per annum) or the maximum rate permitted by law, whichever is less, is due on all invoice amounts not paid when due. All sales are final. TMHI is not obligated to accept return of any merchandise unless prior authorization is obtained in writing from TMHI. Any complaints to quantity, quality, merchantability, description or price from that set forth in an invoice issued to Applicant(s) must be made in writing within twenty-five days of the date of the invoice, which Applicant(s) agrees to be a commercially reasonable time.

Collection of overdue accounts: If TMHI incurs costs, expenses and/or fees, including **but not limited to** attorney's fees/collection costs, as a result of nonpayment of any invoice. TMHI shall be entitled to recover any and all such reasonable costs, expenses and fees and same shall be added to the amount due. Notwithstanding any other provision herein, TMHI may repossess goods by any lawful means if payment in full is not made as required by Applicant(s) for such goods.

Change in Structure: Any change in Applicant(s)' business structure shall not affect Applicant(s)' obligations under this or any other agreement unless TMHI agrees otherwise to such in writing. Applicant(s) cannot transfer or assign the account relationship without TMHI's prior written consent. TMHI reserves the right to demand immediate payment of all invoices of all goods delivered in the event it receives notice of a change in business structure.

Credit Reports: The undersigned authorizes TMHI to obtain credit and financial information concerning Applicant(s), at any time, from any source, including but not limited to any bank, trade, credit references, outside credit reporting services, and Applicant(s) authorizes the release of such information to TMHI. This would include but is not limited to releasing information regarding my/our financial condition including all financial statements and information concerning Applicant(s) credit worthiness record and standing and the obtaining of copies of credit reports on the business and owners listed in the credit application. In order to maintain credit, Applicant(s) agrees to update or supply additional information as needed.

Other Provisions: (A) If any term of this agreement is invalid, the invalid language shall be considered deleted from this agreement and shall not invalidate the remaining language. (B) This agreement may be executed and transmitted to TMHI by facsimile machine and the facsimiles shall be deemed an original and shall be binding upon the Applicant(s) upon its transmission to TMHI. (C) Any waiver by TMHI of any breach or default by Applicant(s) of any Applicant(s)' obligations hereunder, and any failure by TMHI to enforce any rights arising hereunder, shall not be construed as a waiver of any other breach or default by Applicant(s) or of TMHI's right to enforce its rights arising hereunder in any other circumstance. (D) Any modification of any provision of these terms and conditions must be in writing and signed by the party to be charged.

F) Jurisdiction: This agreement will be considered as made and entered into in Orange County, California and any dispute that arises from said agreement will have its jurisdiction in Orange County, California.

APPLICANT(S) WARRANTS THAT THE INFORMATION IN THIS APPLICATION IS COMPLETE, TRUE AND CORRECT, THAT THE PERSON SIGNING BELOW ON BEHALF OF APPLICANT(S) HAS CAREFULLY READ AND UNDERSTANDS THE FOREGOING APPLICATION AND TERMS AND CONDITIONS HEREOF, AND THAT THE PERSON SIGNING BELOW IS AUTHORIZED TO BIND APPLICANT(S) TO SAID TERMS AND CONDITIONS.

Applicant(s) name(s): _____ Date: _____

Signature: _____ Title: _____

G) Personal Guarantee: The undersigned hereby personally, voluntarily and unconditionally guarantees the full and prompt payment to TMHI, when due, of all indebtedness, obligations and liabilities of customer/applicant named on this credit application including all amounts now owing and arising in the future. The undersigned is aware and understands that credit is being extended to Applicant(s) based on the undersigned's willingness to personally guarantee any and all such indebtedness, obligation and liability of Applicant(s) owed to TMH.

Printed Name: _____ Date: _____

Signature: _____ Title: _____