

COLOSSAL DIAMOND TOOLS, LLC
CREDIT APPLICATION & TERMS AND CONDITIONS

Company Name: _____

Address: _____

City: _____

State: _____

Zip Code: _____

Type of Business: _____

Corporate Partnership: _____

Sole Proprietorship: _____

Other: _____

Years of Business: _____

Estimated Purchase Per Month: _____

Federal Tax ID# _____

Tax Exempt # _____

Personnel: _____

Payable Information

Accounts Payable Name: _____

Email Address: _____

Phone # _____

Bank Information

Bank Name: _____

Phone # _____

Contact: _____

Account # _____

Fax # _____

Trade References (Must have 2 Companies Respond)

1: Company Name: _____

Contact: _____

Phone # _____

Email Address: _____

Fax # _____

2: Company Name: _____

Contact: _____

Phone # _____

Email Address: _____

Fax # _____

3: Company Name: _____

Contact: _____

Phone # _____

Email Address: _____

Fax # _____

Prepared By: _____

I hereby authorize our bank and trade references to release credit information to Colossal Diamond Tools, LLC. I except Colossal Diamond Tools, LLC to keep all information in strictest confidence. I also agree to comply with the terms and conditions of sale attached hereto and agree to pay all costs incurred should my account be submitted to collections.

Signature: _____

Printed Name: _____

Date: _____

CREDIT AMOUNT CONSIDERATION: To activate net application customer must be willing to pay two invoices up front or until 2 references respond whichever is later. Those invoice dollar amounts will be directly used to establish the credit amount.

COLOSSAL DIAMOND TOOLS, LLC

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CREDIT POLICY: To qualify for open account status, a credit application must be completed in full. Satisfactory references are required. Those approved for open account are notified by mail. Companies not qualifying for open account are either C.O.D. or cash with order.

The amount of credit we extend to a customer is subject to change or limitation at any time, either before or after the delivery or any part thereof of an order. Payment in cash may be required as a precedent to delivery. If a customer account is in arrears, we shall have the right, in addition to all other legal remedies, and without prejudice to any other of our rights, to defer further deliveries until full payment is received.

Receipt of payment, whether full or partial, shall in no way obligate us to extend further credit. In case the business of a customer is sold or transferred, or a customer becomes insolvent, or is sued by any creditor, or by Colossal Diamond Tools, LLC, or a receiver is appointed for the customer or the customer's business, then in each such event the total amount shall be at once due and payable without notice or demand of any kind. Buyer must notify Colossal Diamond Tools, LLC within 48 hours of any change in a purchasing agent. Should a customer's check be returned by the bank, there will be a returned check charge, which is currently \$50. This fee is subject to change without notice.

PRICES, SHIPPING, INSURANCE AND RISK OF LOSS:

Except as expressly stated otherwise in writing by Colossal Diamond Tools, LLC, all prices quoted for Colossal Diamond Tools, LLC's products shall be F.O.B. Colossal Diamond Tools, LLC's warehouse in Dallas, Texas U.S.A... Except as otherwise agreed in writing by Colossal Diamond Tools, LLC's quoted prices shall not include: (a) charges for freight, insurance or other costs incurred in connection with shipment of Products or (b) any sales, use, excise, gross receipts or similar taxes, all of which shall be paid by Buyer. All risk of loss or damage to Colossal Diamonds Tools, LLC's products shall pass to Buyer upon transfer of Colossal Diamond Tools, LLC's products to the carrier at the F.O.B. point, but title to the products shall pass only upon acceptance thereof by the Buyer at its premises. Colossal Diamond Tools, LLC may change the prices applicable to its products at any time. Except as otherwise agreed in writing by Colossal Diamond Tools, LLC, each sale of any Colossal Diamond Tools, LLC products shall be at Colossal Diamond Tools, LLC's list price in effect on the date of Colossal Diamond Tools, LLC's acceptance of Buyer's purchase order.

PURCHASE ORDERS: All purchase orders placed on behalf of Buyer shall constitute the Buyer's irrevocable commitment and obligation to purchase the products identified thereon on the indicated quantities at Colossal Diamond Tools, LLC's prices then in the effect in accordance with these Terms and Conditions, subject to acceptance or non-acceptance by Colossal Diamond Tools, LLC, in its sole and absolute discretion, in whole or in part. No terms, stipulations or conditions set forth in a Buyer's purchase order or other document furnished by Buyer shall be binding on Colossal Diamond Tools, LLC unless expressly and specifically accepted by Colossal Diamond Tools, LLC in writing. Any terms, stipulations or conditions set forth in a purchase order or other document furnished by Buyer that are different from, or in addition to, any of the terms, stipulations or conditions set forth in these Terms and Conditions are hereby objected to by Colossal Diamond Tools, LLC, and all such different or additional terms, stipulations or conditions shall be null, void and of no effect unless expressly and specifically agreed to in writing by Colossal Diamond Tools, LLC.

COLOSSAL DIAMOND TOOLS, LLC'S ACCEPTANCE AND NON ACCEPTANCE: All purchase orders placed by Buyer shall be subject to acceptance or non-acceptance by Colossal Diamond Tools, LLC in its sole and absolute discretion, at its office in Dallas, Texas U.S.A. Without limitation of the foregoing, Colossal Diamond Tools, LLC has no obligation to accept, and may cancel, without liability, any purchase orders from Buyer at any time that Colossal Diamond Tools, LLC shall deem itself insecure with respect to Buyer's account or financial standing or Buyer's relationship with Colossal Diamond Tools, LLC reserve the right to terminate or cancel, in whole or in part any purchase order at any time prior to shipment of the products covered by such purchase order. Buyer shall comply with any requirements established by Colossal Diamond Tools, LLC from time to time concerning the minimum volume of products that may be covered by any purchase order.

TERMS OF SALE: Our terms are net _____ from the date of invoice, past due thereafter. A service charge of 1.5% per month will be charged on all accounts not paid by the month end.

First time shipments are sent C.O.D. or by credit card. If first order is over \$500.00, we require payment by cash, money order, or certified check. We also accept Mastercard, VISA, American Express and Discover Card.

PAYMENTS: Except as otherwise agreed in writing by Colossal Diamond Tools, LLC, all payments by Buyer to Colossal Diamond Tools, LLC shall be made, without set off or other reduction, by causing Colossal Diamond Tools, LLC's bank account to be credited for the full amount due in accordance with Colossal Diamond Tools, LLC's wiring instructions or other payment instructions. Buyer must make payments by draft only if Colossal Diamond Tools, LLC gives its prior consent to this method of payment. Payment shall be due by the date or dates specified by Colossal Diamond Tools, LLC in connection with any purchase order. If Colossal Diamond Tools, LLC agrees to ship any products prior to payment in full, Buyer shall pay at Colossal Diamond Tools, LLC's offices in Dallas, Texas U.S.A., in full any and all amounts owed with respect to such shipments of products within _____ days of the invoice date. If payment is not received within _____ days of the invoice date, interest shall accrue from the invoice date on the unpaid amount(s) at the monthly rate of one and one-half percent (1.5%), or at the maximum rate allowed by applicable law, whichever rate is less, unless otherwise agreed to in writing by Colossal Diamond Tools, LLC.

SPECIAL ORDERS & LARGE EQUIPMENT: All Purchase orders for large equipment and machines, including, but not limited to, environmental equipment, bridge saws, In Line Machines, CNC Machines, Water Jets, and non-stocked or custom products, including special order CNC profile wheels, are subject to a minimum 50% deposit in order to process the order. Due to manufacturer's requirements, such orders are non-cancelable and deposits are non-refundable.

COLOSSAL DIAMOND TOOLS, LLC

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PURCHASE MONEY SECURITY INTEREST: Buyer hereby grants to Colossal Diamond Tools, LLC a purchase money security interest in all of the products purchased from Colossal Diamond Tools, LLC, and in all accessions and additions thereto, and in all products and proceeds, thereof, as security for the full and prompt payment of all amounts at any time owed by Buyer to Colossal Diamond Tools, LLC in connection with such purchase. Buyer hereby authorizes Colossal Diamond Tools, LLC to file any and all UCC financing statements as Colossal Diamond Tools, LLC may deem necessary or advisable in order to perfect the security interest granted in the previous sentence, and Buyer shall otherwise cooperate with all other reasonable requests by Colossal Diamond Tools, LLC with respect to the perfection of such security interest. Upon default by Buyer in the timely payment of any and all amounts due with respect to any of Colossal Diamond Tools, LLC's products, Colossal Diamond Tools, LLC shall be entitled to exercise all of the remedies of a secured party under the Uniform Commercial Code. In addition thereto, Colossal Diamond Tools, LLC shall have the right to enter the Buyer's premises and remove such Colossal Diamond Tools, LLC products therefrom, with or without judicial process.

DISCLAIMER OF WARRANTY: COLOSSAL DIAMOND TOOLS, LLC MAKES NO WARRANTIES WITH REGARD TO ITS PRODUCTS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE, OR ANY WARRANTY AGAINST INFRINGEMENT AS PROVIDED IN ARTICLE 2.312(3) OF THE UNIFORM COMMERCIAL CODE AND OR ANY COMPARABLE STATUTE OR LAW THAT MAY GOVERN THE SALE OF GOODS. COLOSSAL DIAMOND TOOLS, LLC DOES NOT GUARANTEE, WARRANT OR OFFER ANY PATENT PROTECTION TO BUYER IN ANY OF COLOSSAL DIAMOND TOOLS, LLC'S PRODUCTS, AND COLOSSAL DIAMOND TOOLS, LLC SHALL NOT BE LIABLE OR IN ANY WAY RESPONSIBLE TO BUYER BECAUSE OF ANY ALLEGED INFRINGEMENTS OF PATENT RIGHTS IN CONNECTION WITH THE SALE OR USE OF ANY OF COLOSSAL DIAMOND TOOLS, LLC'S PRODUCTS. EXCLUSIVE REMEDY: THE SOLE AND EXCLUSIVE REMEDY AGAINST COLOSSAL DIAMOND TOOLS, LLC FOR ANY NON-CONFORMING PRODUCT DELIVERED TO BUYER SHALL BE IN COLOSSAL DIAMOND TOOLS, LLC'S SOLE AND ABSOLUTE DISCRETION TO EITHER REPAIR THE NONCONFORMING PRODUCT, REPLACEMENT OF THE NONCONFORMING PRODUCT, OR RETURN OF SAME FOR REPAYMENT OF THE PURCHASE PRICE.

POWER TOOL REPAIR POLICY: Colossal Diamond Tools, LLC is not responsible for the warranty repair and/or maintenance service, please contact the specific tool manufacturer for the closest manufacturer warranty repair center.

POWER TOOL WARRANTIES BY MANUFACTURER: Colossal Diamond Tools, LLC honors all manufacturer's warranties within the manufacturer's terms and conditions.

MISUSE: Colossal Diamond Tools, LLC shall have no liability or obligation to Buyer with respect to any of Colossal Diamond Tools, LLC's products which have been subject to abuse, misuse, improper use, accident, modification, alteration, tampering, failure to follow normal operating procedures, attempt to repair by unqualified personnel, any sale, use or operation such products outside their normal environment, or any alteration of any literature with respect to such products. **CLAIMS:** All claims of Buyer relating to a

nonconformity or defect in the products delivered shall be deemed forever waived unless (i) Buyer provides Colossal Diamond Tools, LLC with written notice and satisfactory proof of the nonconformity within ten (10) business days after receipt of same by the Buyer; and (ii) Colossal Diamond Tools, LLC is afforded a reasonable and sufficient opportunity to verify any claim before the products are used by Buyer or removed from Buyer's facility.

PRIVATE LABEL BRANDS: Refers to all Colossal Diamond Tools, LLC's private label tools which shall have a 30 day limited warranty against factory defects from the date of purchase. All warranty repairs or out of warranty repairs should be sent directly to Colossal Diamond Tools, LLC at 2913Anode Lane Dallas, TX75220

For non-warranty repairs of the Colossal Diamond Tools, LLC tools, there will be a minimum non-refundable charge of \$50 to inspect and diagnose a tool. The \$50 non-refundable fee must be paid in advance (no COD accepted). Should the customer wish to proceed with a repair of a Colossal Diamond Tools, LLC tool this \$50 charge will be credited to the final cost of the repair.

RETURNS: All sales are final, and Buyer may not return any products to Colossal Diamond Tools, LLC without prior written authorization from Colossal Diamond Tools, LLC.

Return Policy:

A Return Authorization Number (RGA#) is required for all product returns. An RGA# and shipping instructions can be obtained by contacting Customer Service. No returns will be accepted without an RGA#.

Colossal Diamond Tools, LLC Customer Service: (972) 800-1502

- A 15%re-stocking fee will be applied to all returned goods on stock material (non-defective products)
- All returns must be shipped back in original, unopened packaging in order to receive credit.
- No returns authorized after 60 days from the date of purchase.
- No returns will be accepted or credit issued on used products, unless they are proven to be defective.
- All claims of shortages must be reported to customer service within 48 hours of receipt.
- No returns will be authorized on HAZMAT products, chemicals, or adhesives.
- No returns will be authorized on special order items including special order CNC tools.
- Customers must pay shipping charges on all returns. Upon receipt and inspection of the product return, Colossal Diamond Tools, LLC will issue a refund on shipping charges if it is proven that there was a shipping error or the product was defective.
- Returns are limited to 10% of the previous 4 months net purchases.

Shipping Address:

Colossal Diamond Tools, LLC
2913Anode Lane
Dallas, TX 75220

Mailing Address:

Colossal Diamond Tools, LLC
P.O. Box 79575
Saginaw, Texas 76179

COLOSSAL DIAMOND TOOLS, LLC

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NON RE-SELLER WARRANTY: Buyer agrees not to make or extend any warranties or representations concerning the quality or capability of any of Colossal Diamond Tools, LLC's products to any person or entity except as authorized in the manufacturer's written warranty (if any) accompanying the products in question. In no event shall Buyer indicate to any person or entity that Colossal Diamond Tools, LLC offers any warranty with respect to the products. Buyer shall indemnify and hold Colossal Diamond Tools, LLC harmless against all claims, suits, expenses, losses, costs and liability (including attorney's fees) incurred by Colossal Diamond Tools, LLC arising out of or resulting from any breach of this paragraph.

LIMITATION OF LIABILITY: THE DAMAGES RECOVERABLE BY BUYER AGAINST COLOSSAL DIAMOND TOOLS, LLC FOR ANY CLAIM OF ANY KIND WHATSOEVER ARISING FROM OR IN ANY WAY CONNECTED TO ANY COLOSSAL DIAMOND TOOLS, LLC PRODUCTS. OR THE PURCHASE, SALE OR USE THEREOF. REGARDLESS OF THE LEGAL THEORY, SHALL NOT BE GREATER THAN THE ACTUAL PURCHASE PRICE OF THE PRODUCTS PAID BY BUYER WITH RESPECT TO WHICH SUCH CLAIM IS MADE. IN NO EVENT SHALL COLOSSAL DIAMOND TOOLS, LLC BE LIABLE FOR ANY SPECIAL INDIRECT OR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO ANY DAMAGES WITH RESPECT TO LOSS OF INCOME, LOSS OF EXPECTED OR PROSPECTIVE PROFITS, ANY LOSS CAUSED BY DELAY, ANY EXPENDITURES, INVESTMENTS OR COMMITMENTS OF BUYER, ANY LOSS WITH RESPECT TO BUYER'S ESTABLISHMENT, DEVELOPMENT OR MAINTENANCE OF BUSINESS REPUTATION OR GOODWILL, ANY LOSS INCURRED BY BUYER IN OBTAINING SUBSTITUTE PRODUCTS, OR ANY LIABILITY, LOSS OR EXPENSE OF BUYER ARISING FROM THE CLAIMS OF THIRD PARTIES SUCH AS, BUT NOT LIMITED TO, CUSTOMERS OF BUYER..2

FORCE MAJEURE: Colossal Diamond Tools, LLC shall not be responsible or liable for any failure to perform, or any delay in supplying if occasioned in whole or in part by act of God or the public enemy, fire, explosion, perils of the sea, flood, drought, war, riots, civil insurrection, sabotage, accident, embargo, governmental priority, requisition or allocation or any action of any governmental authority (or any refusal of such governmental authority to provide necessary authorization), or shortage or failure of supply, materials, fuel, transportation or labor, or strikes or other labor trouble, or any occurrence, act, cause or thing beyond the reasonable control of Colossal Diamond Tools, LLC, all of which shall excuse any failure or delay on the part of Colossal Diamond Tools, LLC. Colossal Diamond Tools, LLC shall have no obligation or liability whatsoever arising out of or in connection with any such failure or delay.

DELIVERY DATE: Any delivery date agreed to by Colossal Diamond Tools, LLC shall be deemed to be an estimated delivery date only. Colossal Diamond Tools, LLC shall not be liable for any loss or damages allegedly caused by failure to make any delivery of a purchase order (or portion thereof) when due. Without Limitation of the foregoing, Colossal Diamond Tools, LLC is not responsible for any delay in-shipment or delivery, of its products occurring after such products are transferred to the carrier.

ATTORNEYS FEES AND INDEMNIFICATION: Buyer shall pay, reimburse, indemnify and hold Colossal Diamond Tools, LLC harmless from and against any and all liabilities, losses, damages, penalties, costs or expenses including but not limited to attorney's fees, expert witness fees, court costs and mediation fees incurred by Colossal Diamond Tools, LLC arising out of relating to (a) any breach of these Terms and Conditions by Buyer: (b) Colossal Diamond Tools, LLC's cost of collection incurred with respect to any sums payable by Buyer: (c) any acts or omissions of Buyer, its agents or employees resulting in any claim or suit against Colossal Diamond Tools, LLC, including without limitation claims relating to warranties regarding Colossal Diamond Tools, LLC's products which have not been expressly authorized in writing by Colossal Diamond Tools, LLC: (d) any action, claim or suit brought by Buyer against Colossal Diamond Tools, LLC that is inconsistent or in conflict with the provisions of these Terms and Conditions: (e) Colossal Diamond Tools, LLC's enforcement if its rights and remedies, whether or not arising under these Terms and Conditions, and whether such enforcement action was necessitated by (i) the Buyer's breach or nonfulfillment of any of the provisions of these Terms and Conditions or (ii) the Buyer bringing any suit, action, demand or claim against Colossal Diamond Tools, LLC that is inconsistent or in conflict with the provisions of these Terms and Conditions.

GOVERNING LAW: These Terms and Conditions, together with the purchase, sale and use of Colossal Diamond Tools, LLC's products and all other aspects of the relationship between Colossal Diamond Tools, LLC and Buyer shall be governed by and construed in accordance with the internal laws of Texas without a giving effect to any choice of law rules that could result in the application of the laws of any other jurisdiction.

JURISDICTION AND VENUE: Venue shall be proper in any court of competent jurisdiction located in Dallas County, Texas.