

**APPLICATION FOR BUSINESS CREDIT**

Confidential

<p><b>Palomino Quality Solutions, LLC</b>                  3001 W. Loop 250 N. Ste C-105 #552                  Midland, TX 79705                  432.599.6334                  ar@pqstx.us</p>	<p>The business entity hereby applying for credit from Palomino Quality Solutions, LLC including any and all of its subsidiaries, affiliates and unincorporated divisions as such may exist from time to time ("PQS"), 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.")</p>
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\* 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 #:
Corporation: Division of Subsidiary of		Sole Proprietorship   Partnership Limited Liability Company 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   Taxable   Exempt (Attach exemption certificate)	Check here to receive your invoices from PQS electronically.
Check here to receive your statements from PQS electronically.	Email address to be sent to:

AGREEMENT AND ACKNOWLEDGMENT		
<p>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 PQS and is true and correct. The undersigned hereby acknowledges and agrees (i) that PQS may obtain information concerning the Applicant from any credit-granting institution, (ii) that this Application shall govern PQS's review of Applicant's credit history and shall constitute the agreement between Applicant and PQS governing the provision of credit upon PQS's subsequent acceptance by any means, whether written or oral, of Applicant's request for credit, (iii) that effective upon any acceptance by PQS of this Application, all sales of goods or services to Applicant will be governed by PQS's standard terms and conditions of sale as they are posted at <a href="#">TERMS AND CONDITIONS OF SALE</a> and as the same may be modified from time to time and (iv) that PQS'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.</p> <p>The undersigned agrees and acknowledges that terms of payment shall be net 30 days 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 PQS'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 PQS, including without limitation, attorney's and collection agency fees and the related disbursements.</p>		
* SIGNATURE	* TITLE:	* DATE:

**PERSONAL GUARANTY**

In consideration of credit being extended by PQS to Applicant, I/we hereby personally guarantee to PQS payment of any obligation of Applicant and agree to be bound to pay PQS on demand any sum that may become due to PQS 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 PQS 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,

Print Name:	Date:	Print Name:	Date:
SSN:		SSN:	
(Sign) JOINTLY AND INDIVIDUALLY	Date:	(Sign) JOINTLY AND INDIVIDUALLY	Date:
Witness:		Witness:	

TERMS AND CONDITIONS OF APPLICATION FOR BUSINESS CREDIT

Applicant hereby agrees and acknowledges the following: \*Date: \*Signature: \_\_\_\_\_

- 1. PQS and any of its employees, officers or agents (collectively, "PQS 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 PQS 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 PQS Parties any information pertaining to Applicant's credit history requested by any PQS Parties, 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 PQS has extended business credit to Applicant for which it has not yet been reimbursed, PQS 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 PQS 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, PQS 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 PQS, with any credit-reporting agency if such information is specifically requested from PQS.
4. Applicant will give PQS at least 15 calendar days' prior written notice of any development that may adversely affect Applicant's financial condition, including, without limitation, (a) the institution by or against Applicant of proceedings in bankruptcy or any other procedure for the settlement of debts, (b) Applicant's making an assignment for the benefit of its creditors, (c) Applicant's inability to pay Applicant's expenses as they accrue due to lack of sufficient funds, (d) Applicant's dissolution or other event pursuant to which it ceases to do business, and (e) any change in the business form in which Applicant conducts business, such as (1) the incorporation of a sole proprietorship, (2) the addition of a partner to a partnership, limited partnership, limited liability partnership, or a limited liability limited partnership, or (3) the addition of members to a limited liability corporation. Any notice provided hereunder will be sent by courier or U.S. first-class mail (postage prepaid and return receipt requested) to: Palomino Quality Solutions., Attention: Financial Services, 3001 W. Loop 250 N. Ste C-105 #552, Midland, TX 79705.
5. PQS may reject this Application in its sole and absolute discretion. PQS may cancel or modify Applicant's business credit granted as a result of this Application at any time in PQS's sole and absolute discretion.
6. Upon PQS's request at any time, Applicant shall provide to PQS, 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.
7. 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.
8. Applicant hereby agrees and acknowledges that it is its intent in executing this Application that all sales made by PQS to Applicant based upon any credit extended by PQS to Applicant pursuant to or in connection with this Application will be governed by PQS's standard terms and conditions of sale as the same may be in effect from time to time.
9. 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 Commonwealth of Pennsylvania, 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 Pittsburgh, Pennsylvania, depending upon (a) which has the appropriate subject matter jurisdiction and (b) the amount in controversy. Applicant hereby agrees to the personal jurisdiction of said courts and waives any objection to personal jurisdiction, including objections based upon inconvenience of forum.
10. To secure the full and timely payment by Applicant to PQS of all now existing and hereafter arising amounts due PQS, Applicant hereby grants to PQS a priority security interest and lien in and to all goods, inventory, equipment and fixtures sold to Applicant by PQS 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 PQS; (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 PQS to file and perfect any and 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 PQS under PQS's payment terms with Applicant. Applicant shall execute and deliver to PQS, at any time and from time to time, all agreements, instruments, documents and other written matter (the "Supplemental Documentation"), that PQS may request, in form and substance acceptable to PQS, to perfect and maintain perfected PQS's priority security interest and lien in and to the Assets and/or other lien or bond rights provided herein, and to otherwise consummate the transactions contemplated by this paragraph. Applicant, irrevocably, hereby makes, constitutes and appoints PQS, and all persons designated by PQS for that purpose, as Applicant's true and lawful attorney and agent-in-fact, to sign the name of Applicant on the Supplemental Documentation if required, and to deliver such Supplemental Documentation to such persons as PQS may reasonably elect. Applicant hereby authorizes PQS 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 PQS deems appropriate without Applicant's signature, and authorizes PQS to describe the collateral in such financing statements in any manner PQS deems appropriate.
11. 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 PQS may modify the credit agreement comprised of this Application upon written notice to Applicant in PQS's sole and absolute discretion from time to time.
12. All sales of goods and services to Applicant shall be governed by PQS's standard terms and conditions of sale as they are posted at TERMS AND CONDITIONS OF SALE and as the same may be modified from time to time, including but not limited to the following terms:
A. Disclaimer of Warranties. PQS shall use its best reasonable efforts to obtain from its suppliers for the direct benefit of both PQS and Buyer such warranties as are normally offered by such suppliers in connection with the Goods being supplied by them. PQS shall give Buyer all reasonable assistance as may be required to enforce such warranties. EXCEPT FOR THE FOREGOING, PQS 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, PQS 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. Exclusive Remedy. Buyer's EXCLUSIVE remedy against PQS for any claim for, or arising out of any in a Good tendered to Buyer is the repair or replacement of the Good, or alternatively, at PQS's sole election, a refund of the purchase price of the Good. Buyer's EXCLUSIVE remedy against PQS arising out of any defect in, or in connection with, any Service provided hereunder is the re-performance of that Service or, at PQS's sole election, a refund of the purchase price of the Service. These exclusive remedies will only be available to Buyer for one year after the Good is tendered or Service is provided to Buyer, and PQS's obligations under this section will be void unless Buyer provides PQS with notice of the defect in the Good or Service within 30 days of discovery of the defect. Any Good returned to PQS for repair, replacement or refund under this section will be returned by Buyer in accordance with PQS's return material authorization procedures then in effect.
C. Limitation of Liability. NOTWITHSTANDING ANYTHING ELSE CONTAINED HEREIN TO THE CONTRARY, IN NO EVENT WILL: (A) PQS 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 PQS IS MADE AWARE OF THE POTENTIAL FOR SUCH DAMAGES); AND (B) PQS'S TOTAL LIABILITY RELATED TO ANY GOOD OR SERVICE EXCEED THE PURCHASE PRICE OF SUCH GOOD OR SERVICE.