



YOUNG SUPPLY COMPANY

52000 SIERRA DRIVE, CHESTERFIELD TOWNSHIP, MI 48047

PHONE: (586) 421-2400 • FAX: (586) 421-1111

www.youngsupply.com

Office Use Only	
YSC Account #	

CONFIDENTIAL CREDIT APPLICATION AND AGREEMENT

Please complete this application entirely. All sections must be completed in full for your application to be considered. Please type or print legibly. Submit your completed application by fax to (586) 421-1111 or email to jmorrison@youngsupply.com.

BUSINESS INFORMATION

Is this a new application or are you updating your company information? New Application Updating Company Information

Registered Company Name ("Applicant"): _____

Doing Business As: _____ Date Business Established: _____

Parent Company (if subsidiary): _____

Type of Business: Sole Proprietor Corporation Partnership LLC Federal Tax ID: _____

Tax Status: Taxable Non-Taxable - *must complete Michigan or Ohio Sales & Use Tax Certificate of Exemption form (included)*

Business Billing Street Address: _____

City: _____ State: _____ Zip Code: _____

Business Phone Number: _____ Business Fax Number: _____

Ship-To Street Address (if different from billing address): _____

City: _____ State: _____ Zip Code: _____

If you have more than one ship-to address, please attach a complete list of addresses.

How long has this business operated at this location? _____

Has the business operated under another name? Yes No

If yes, please list the name(s): _____

Have you done business with YSC before? Yes No If yes, provide the account number(s): _____

What industry related license(s) do you carry? HVAC Refrigeration Other: _____

A copy of all industry related licenses is required. Please attach a copy/copies to this application.

ACCOUNTS PAYABLE INFORMATION

Accounts Payable Contact(s) Name: _____

Contact Email Address(s): _____ Phone Number: _____

Fax: _____ Email: _____

Statement Delivery Preference: _____

Fax: _____ Email: _____

Invoice Delivery Preference: _____

Are Purchase Orders Required? Yes No

PRINCIPAL OWNERS INFORMATION

Full Name: _____ Email: _____ Phone: _____

Full Name: _____ Email: _____ Phone: _____

Full Name: _____ Email: _____ Phone: _____

CREDIT INFORMATION

Bank Name: _____ Street Address: _____

City _____ State: _____ Zip Code: _____

Loan Officer/Contact Person _____

What type of account are you applying for? Cash Credit What amount of credit are you applying for? _____

Are any of your assets pledged as security for loans, advances, or other liabilities? Yes No

If yes, list with whom and the name under which any filing has been made: _____

Are there claims, lawsuits or judgements pending, unsettled, threatened or unsatisfied against the Applicant or its owner(s)? Yes No

If yes, please list all that apply: _____

Have you ever gone through bankruptcy, defaulted on a loan or made settlement with creditors? Yes No

If yes, please provide additional information: _____

TRADE REFERENCES

Please provide three references below, and complete all information for each reference. All fields are required.

Company Name of First Reference: _____

City of Operation: _____ Business Phone Number: _____

Business Fax Number: _____ Email: _____

Company Name of Second Reference: _____

City of Operation: _____ Business Phone Number: _____

Business Fax Number: _____ Email: _____

Company Name of Third Reference: _____

City of Operation: _____ Business Phone Number: _____

Business Fax Number: _____ Email: _____

TERMS AND CONDITIONS

The undersigned (hereinafter called "Purchaser") hereby represents that all of the information provided by Purchaser in this application is true, complete, and not misleading and understands that said information and/or representations made are provided and made for the purpose of obtaining credit from Young Supply Company (hereinafter called "Seller") and its divisions, and in return for the extension of credit, the undersigned hereby agrees to all of the following terms and conditions. There are no understandings or agreements between Purchaser and Seller other than those fully expressed and contained herein. No agent, salesman or other representative of Seller has any authority to obligate Seller by any terms, guarantees, warranties, stipulations, or conditions not specifically contained herein. The undersigned also hereby authorizes Seller to obtain personal credit reports on Purchaser and its owner(s) and to investigate Purchaser and its owners' credit and business affairs and for periodic review and/or updates of such credit reports and investigations. Purchaser agrees to notify Seller in writing by certified mail return receipt requested of any material changes in Purchaser's financial condition or business affairs, including, without limitation, any changes in financial information or condition, ownership, addresses, business locations, telephone, contact information, and other matters.

Purpose and Parties: This document is your credit application with Seller, and if your application is approved, your credit agreement with Seller (as the same may be renewed, extended, amended or restated from time to time, the "Credit Agreement"). This application is not binding upon Seller unless approved by Seller in writing. Even if approved, Seller in its sole discretion may terminate Purchaser's credit privileges under this Credit Agreement at any time without prior notice to Purchaser, except as otherwise provided by law. This Credit Agreement applies to all of Purchaser's purchases of goods and services from Seller. This agreement consists of these terms and conditions and any agreements, invoices or other Seller documents approved by Seller in writing to evidence Purchaser's obligations to Seller, all of which are incorporated in this Credit Agreement by reference. Except as to quantity of goods ordered, Purchaser agrees that Seller is not subject to any terms and conditions set forth in any purchase order, confirmation or other communication from Purchaser that would supplement or vary this Credit Agreement.

Credit approvals; no assignments: Seller may establish a credit limit for Purchaser's account. Purchaser agrees that Seller in its sole discretion may increase, decrease or terminate credit at any time. Purchaser may not assign any rights or benefits under this Credit Agreement without Seller's prior written consent, which consent may be withheld in Seller's sole discretion. If Purchaser is a corporation, limited liability company or other entity, a transfer or assignment of a majority of the equity interest in Purchaser is considered an assignment within the meaning of this provision.

Security Agreement: In the event this application is approved, as collateral security for the prompt and complete payment and performance of all of Purchaser's present or future indebtedness, obligations and liabilities to Seller (the "Obligations"), Purchaser hereby grants to Seller a continuing security interest in, and mortgage to, to the following (the "Collateral"): all (i) goods, including, without limitation, all goods now or hereafter delivered on credit to Purchaser pursuant to this Credit Agreement, and more fully described on invoices issued to Purchaser by Seller, (ii) inventory, (iii) equipment; (iv) instruments, (v) chattel paper, (vi) documents, (vii) accounts, (viii) accounts receivable, (ix) general intangibles, (x) deposit accounts, (xi) investment property, (xii) payment intangibles in which Purchaser now has or hereafter acquires any right or interest, and the proceeds, insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto, and (xiii) intellectual property.

Financing Statements: Purchaser hereby irrevocably authorizes Seller at any time, and from time to time, to file in any filing office in any Uniform Commercial Code ("UCC") jurisdiction any initial financing statements describing the Collateral as all assets of Purchaser or language of similar effect and any continuation statements or amendments thereto. Purchaser also ratifies its authorization for Seller to have filed in any UCC jurisdiction, any like initial financing statements, or continuation statements, or amendments, if filed before the date of this Credit Agreement.

Events of default: Each of the following constitutes an "Event of Default": (a) not paying or performing all or any part of the Obligations when due; (b) any representation or warranty made or deemed made by Purchaser, or any guarantor of the Obligations (each a "Guarantor" and together with Purchaser, the "Obligated Parties"), in this Credit Agreement or in any related document shall be false, misleading, or erroneous in any material respect when made or deemed to have been made; (c) any Obligated Party shall suspend or discontinue its business operations, or shall generally fail to pay its debts as they mature, or shall file a petition commencing a voluntary case concerning any Obligated Party under any chapter of the United States Bankruptcy Code; or any involuntary case shall be commenced against any Obligated Party under the United States Bankruptcy Code; or any Obligated Party shall become insolvent (howsoever such insolvency may be evidenced); (d) any Obligated Party, shall fail to pay when due any principal of or interest on any debt (other than the Obligations), or the maturity of any such debt shall have been accelerated, or any event shall have occurred that permits any holder of such debt to accelerate the maturity thereof; (e) this Credit Agreement or any related documents shall cease to be in full force and effect or enforceability thereof shall be contested by any Obligated Party or any Obligated Party shall deny that it has any further liability under this Credit Agreement or any related documents, or any lien created by this Credit Agreement shall for any reason cease to be a valid, first priority perfected lien upon any of the collateral purported to be covered thereby; or (f) the death or incapacity of any Guarantor. Upon an Event of Default, Seller may without notice terminate Purchaser's credit privileges under this Credit Agreement or declare the Obligations or any part thereof to be immediately due and payable, or both, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Purchaser; provided, however, that upon the occurrence of an Event of Default under clause (c) above, the Purchaser credit privileges shall automatically terminate, and the Obligations shall become immediately due and payable, in each case without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Purchaser. In addition to the foregoing, if any Event of Default shall occur and be continuing, Seller may exercise all rights and remedies available to it in law or in equity, including, all the remedies of a secured party under the UCC, under this Credit Agreement, or otherwise. Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Purchaser at the address provided in this application and to any other person entitled to notice under the UCC; provided that, if any of the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Seller may sell or otherwise dispose of the Collateral without notification, advertisement, or other notice of any kind. It is agreed that notice sent or given not less than five (5) business days prior to the taking of the action to which the notice relates is reasonable notification.

Severability: Each and every provision of the Agreement is severable from any and all other provisions of this Agreement. In the event that any provision of this Agreement is held to be invalid, the other provisions shall continue in full force and effect, and the offending provision, to the extent practicable, shall be reformed so as to achieve its intended purpose.

TERMS AND CONDITIONS

Limitation of Liability: Any and all material, equipment, and/or services received from Seller, and any proceeds, funds, or payments received by the Purchaser from jobs/projects/business on which the material, equipment, and/or services were sold, used or incorporated, are expressly held in trust by the Purchaser, its principal(s) and Guarantor(s) for the benefit of Seller, until Seller has been paid in full. Use of any proceeds, funds, or payments received by Purchaser from jobs/projects/business upon which the material, equipment, or services were sold, used or incorporated, before Seller has been paid in full, shall constitute a breach of the trust and fiduciary duty of the Purchaser, its principal(s) and Guarantor(s). Purchaser and Guarantor(s) warrant that he/she/it is aware of and will comply with all State laws requiring any proceeds, funds, or payments received by the Purchaser from jobs/projects/business on which Seller's material, equipment, and/or services were incorporated, be used to first pay Seller. Purchaser and Guarantor(s) acknowledge his/her/its fiduciary duty to use any proceeds, funds, or payments received from jobs/projects/business on which Seller's material, equipment, and/or services were incorporated to first pay Seller and that failure to do so constitutes defalcation and conversion of trust funds. Any debt that arises out of the breach of the trust and/or defalcation of the material, equipment, services, and/or any proceeds, funds, or payments received by the Purchaser, is non-dischargeable in bankruptcy.

Delivery: Deliveries made by Seller may be subject to a \$30.00 surcharge. Purchaser agrees to pay any and all delivery surcharges added to the individual invoices. All special orders (non-stock items) must be pre-paid unless credit account terms have been established. The Purchaser is responsible for all shipping, handling, and manufacturer's charges unless otherwise stated or agreed.

Payments: Our terms of sale are net 30 days due from invoice date. Subject to any legal limits, the Purchaser agrees to pay service charges of 1% per month which may be billed on the balance owing at each month end, that is 30 days or older, until paid. In the event the Purchaser's account is placed for collection, Purchaser agrees to pay all costs of collection (e.g. attorneys' fees and expenses). Future orders are subject to C.O.D. or Do Not Sell status if the account is delinquent. All checks returned unpaid are subject to a charge of \$30.00. All deductions from payments must include complete detail as to the reason behind the deduction. Deductions older than six (6) months will not be accepted. Payments can be made using cash, check (with proper authorization and approval), money order, credit card (Visa, MasterCard, American Express, Discover), or EFT/ACH. Seller reserves the right to modify payment terms for Purchaser if, in Seller's sole discretion, Seller becomes aware of circumstances that may materially and adversely impact such entity's ability to meet its financial obligations when due. These rights to modify payment terms are not deemed to be a modification of the Terms and Conditions of this Credit Agreement for credit and are in addition to the rights described in any of Seller's credit, return and collection policies that may have been provided to Purchaser.

Governing Law/Forum for Disputes: The parties choose the laws of the state of Michigan to govern all aspects of this credit application and agreement and all transactions and disputes by and between the parties, without regard to any conflicts of law provisions of Michigan. The parties agree to designate the federal and state courts of Michigan as the exclusive place of venue and jurisdiction for any dispute between them; and Purchaser waives any right Purchaser may have to transfer or change venue regarding Purchaser's obligations to Seller under this credit application.

Damages: Seller shall not be liable, in contract, tort or otherwise for any consequential, incidental, special, indirect, statutory or punitive damages. Seller liability in all events is limited to and shall not exceed the purchase price paid. All claims for loss or damage due to third party freight handling should be made directly with the freight carrier, excluding UPS package shipments.

Returns: Returns of stock merchandise may be made within 90 days of the original purchase date. Merchandise must be in good, re-sellable condition (i.e. free of damages, defects, scratches, markings, etchings, etc.) Seller does not accept returns on products that have been installed. Proof of purchase and prior authorization may be required before any returns can be processed. All merchandise returned for credit is subject to a minimum 15% restocking fee. Return of non-stock merchandise, special-ordered through Seller, are not subject to cancellation or return. Seller will generally honor the manufacturer's warranty for the return of merchandise due to manufacturer product defect or failure, in accordance with the terms and conditions of the manufacturer's warranty. Proof of purchase may be required before a credit or replacement of materials is issued. If a warranty claim is denied by a manufacturer, the Purchaser will be liable for the replacement cost of exchange from Seller to the extent Seller may have provided such exchange as an accommodation to Purchaser.

Right of Possession: Seller shall have the right, in addition to all others it may possess, at any time, for credit reasons or because of Purchaser's default or defaults, to withhold shipments, in whole or in part, and to recall goods in transit, retake same, and repossess all goods which may be stored with Seller for Purchaser's account, without the necessity of taking any other proceedings, and Purchaser consents that all the merchandise so recalled, retaken, or repossessed shall become Seller's absolute property, provided that Purchaser is given full credit therefore. The foregoing shall not be construed as limiting, in any manner, any of the rights or remedies available to Seller because of any default of Purchaser under the Uniform Commercial Code as in force and effect in the State of Michigan and Ohio on the date of the signing of this agreement

Other Provisions: This Agreement is binding upon Seller and Purchaser and their respective successors and assigns. Purchaser represents and certifies that this request is for the extension of credit for business purposes only and is not intended for the extension of credit for personal, family or household purposes. Any modification to this agreement must be in writing and signed by Seller's credit manager.

For the purpose of procuring and maintaining credit for merchandise bought on open account from Seller, the undersigned submits the information contained within this application for credit as being a true and accurate statement of its financial condition on the following date and agrees that if any change occurs that materially reduces the means or ability of the undersigned to pay all claims or demands against it, the undersigned will immediately and without delay notify Seller and unless Seller is so notified it may continue to rely upon the statement herein given as a true and accurate statement of the financial condition of the undersigned at the close of business on the date set forth in the following line. The undersigned agrees to all terms and conditions set forth in this document.

AUTHORIZED PURCHASER SIGNATURE:

Printed Name: _____ Signature: _____ Date: _____

Printed Name: _____ Signature: _____ Date: _____

GUARANTY

In consideration of the extension of credit to (Applicant): _____ (hereinafter called "Purchaser") by Young Supply Company, Inc. (hereinafter called "Seller") and/or of other good and valuable consideration, receipt of which is hereby acknowledged, I/we do hereby jointly and severally absolutely, unconditionally and irrevocably guarantee to Seller full and complete performance of all of Purchaser's covenants and obligations under this Credit Agreement and the full payment by Purchaser of all indebtedness and other charges and amounts required to be paid by Purchaser to Seller under the Credit Agreement between Purchaser and Seller dated _____. The word "indebtedness" means, without limitation, the sum of Purchaser's obligations unpaid and owing to Seller, namely, amounts presently owed, amounts due for present and future purchases (whether or not shipped, or shipped and returned), amounts due as damages for breach of obligation arising from orders for or agreements to purchase merchandise, including interest according to express agreement or as provided by law, any Notes given Purchaser for any of the foregoing, and expenses of collecting said obligations.

This guaranty is a continuing guaranty of payment, and shall inure to the benefit of Seller from the date hereof without notice of acceptance and shall remain in full force for the time that Purchaser shall owe any indebtedness or other amounts to Seller.

This Guaranty shall remain in full force and effect notwithstanding the institution by or against Purchaser of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or the disaffirmance of the Credit Agreement in any such proceedings or otherwise.

In the event any action or proceeding be brought by Seller to enforce this Guaranty, or Seller appears in any action or proceeding in any way connected with or growing out of this Guaranty, then and in any such event, the Guarantor shall pay to Seller reasonable attorney's fees, but only if Seller is successful in obtaining judgment. The Guarantor in any suit brought under this Guaranty does hereby submit to the jurisdiction of and venue in the Federal and State courts in the State of Michigan.

The Guarantor's obligations hereunder shall remain fully binding although Seller may have waived one or more defaults by Purchaser, extended the time of performance by Purchaser, released, returned, or misapplied other collateral given later as additional security (including other guaranties) and released Purchaser from the performance of its obligations under the Credit Agreement.

I/we agree and consent that Seller may make any agreement or arrangement whatsoever with Purchaser including but not limited to, extension of time for payment, compromise or discharge of the whole or any part of the said indebtedness and release of any or all security without impairing the liability of the undersigned hereunder, which liability may be discharged only by the payment in full of said indebtedness. I/we hereby waive any notice of acceptance, nonpayment, notice of breach, default or nonperformance, demand or the like. The guaranty of payment shall inure to the benefit of Seller and its successors and assigns and shall be binding upon the executors, administrators, heirs, distributees, beneficiaries and assigns of the undersigned.

Printed Name: _____ Signature: _____ Date: _____

Residence Street Address: _____ City: _____

State: _____ Zip: _____ Phone Number: _____

Printed Name: _____ Signature: _____ Date: _____

Residence Street Address: _____ City: _____

State: _____ Zip: _____ Phone Number: _____

Printed Name: _____ Signature: _____ Date: _____

Residence Street Address: _____ City: _____

State: _____ Zip: _____ Phone Number: _____

Michigan Sales and Use Tax Certificate of Exemption

INSTRUCTIONS: DO NOT send to the Department of Treasury. Certificate must be retained in the seller's records. This certificate is invalid unless all four sections are completed by the purchaser.

SECTION 1: TYPE OF PURCHASE

- A. One-Time Purchase
Order or Invoice Number: _____
- B. Blanket Certificate. Recurring Business Relationship
- C. Blanket Certificate
Expiration Date (maximum of four years): _____

The purchaser hereby claims exemption on the purchase of tangible personal property and selected services made from the vendor listed below. This certifies that this claim is based upon the purchaser's proposed use of the items or services, OR the status of the purchaser.

Vendor's Name and Address

SECTION 2: ITEMS COVERED BY THIS CERTIFICATE

Check one of the following:

- All Items purchased.
- Limited to the following items: _____

SECTION 3: BASIS FOR EXEMPTION CLAIM

Check one of the following:

- For Lease. Enter Use Tax Registration Number: _____
- For Resale at Retail. Enter Sales Tax License Number: _____

The following exemptions DO NOT require the purchaser to provide a number:

- Agricultural Production. Enter percentage: _____%
- Church, Government Entity, Nonprofit School, or Nonprofit Hospital (Circle type of organization).
- Contractor (must provide *Michigan Sales and Use Tax Contractor Eligibility Statement (Form 3520)*).
- For Resale at Wholesale.
- Industrial Processing. Enter percentage: _____%
- Nonprofit Internal Revenue Code Section 501(c)(3) or 501(c)(4) Exempt Organization (must provide IRS authorized letter with this form).
- Nonprofit Organization with an authorized letter issued by the Michigan Department of Treasury prior to June 1994 (must provide copy of letter with this form).
- Rolling Stock purchased by an Interstate Motor Carrier.
- Qualified Data Center
- Other (explain): _____

SECTION 4: CERTIFICATION

I declare, under penalty of perjury, that the information on this certificate is true, that I have consulted the statutes, administrative rules and other sources of law applicable to my exemption, and that I have exercised reasonable care in assuring that my claim of exemption is valid under Michigan law. In the event this claim is disallowed, I accept full responsibility for the payment of tax, penalty and any accrued interest, including, if necessary, reimbursement to the vendor for tax and accrued interest.

Business Name	Type of Business (see codes on page 2)
Business Address	City, State, ZIP Code
Business Telephone Number (include area code)	Name (Print or Type)
Signature and Title	Date Signed



Sales and Use Tax Blanket Exemption Certificate

The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made under this certificate from:

(Vendor's name)

and certifies that the claim is based upon the purchaser's proposed use of the items or services, the activity of the purchase, or both, as shown hereon:

Purchaser must state a valid reason for claiming exception or exemption.

Purchaser's name

Purchaser's type of business

Street address

City, state, ZIP code

Signature

Title

Date signed

Vendor's license number, if any

Vendors of motor vehicles, titled watercraft and titled outboard motors may use this certificate to purchase these items under the "resale" exception. Otherwise, purchaser must comply with either rule 5703-9-10 or 5703-9-25 of the Administrative Code. This certificate cannot be used by construction contractors to purchase material for incorporation into real property under an exempt construction contract. Construction contractors must comply with rule 5703-9-14 of the Administrative Code.