

Malakan Diamond Co.  
1354 W. Herndon, #105  
Fresno, CA 93711  
559.431.1500  
Fax #559.431.3452

## **CREDIT APPLICATION AND AGREEMENT**

Thank you for your interest in becoming a customer of Malakan Diamond Co. Please complete the necessary information and return to us at your earliest convenience. We look forward to what we hope will be the beginning of a mutually beneficial business relationship. The information requested is for business purposes only and will be held in strict confidence. All information must be true and correct.

Name of Business \_\_\_\_\_

Address (mailing) \_\_\_\_\_  
(city) (state) (zip)

Address (shipping) \_\_\_\_\_  
(city) (state) (zip)

Business Phone ( ) \_\_\_\_\_ Fax # ( ) \_\_\_\_\_

Years at Present Address \_\_\_\_\_ Years in Business \_\_\_\_\_

Do you operate under any other names? If so, please list name and address

Name \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Have you ever had an account with us before? Name \_\_\_\_\_

Name of Owner/principle \_\_\_\_\_ Age \_\_\_\_\_ Home Phone \_\_\_\_\_

Owners home address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Social Security # \_\_\_\_\_ Drivers License # \_\_\_\_\_

Owner email \_\_\_\_\_

Name of Owner/principle \_\_\_\_\_ Age \_\_\_\_\_ HomePhone \_\_\_\_\_

Owners home address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Social Security # \_\_\_\_\_ Drivers License # \_\_\_\_\_

Authorized Buyers \_\_\_\_\_

Buyer email \_\_\_\_\_

Accounts Payable Manager \_\_\_\_\_ Email \_\_\_\_\_

Check One  Individual (Proprietorship)  Partnership  Corporation

Resale Cert # \_\_\_\_\_ Federal Tax ID Number \_\_\_\_\_

Principle Source of Business:  Retail  Wholesale  Manuf.  Other

Business Location  home  kiosk  office  retail  mfg plant  
\_\_\_\_\_ other

JBT # \_\_\_\_\_ Rating \_\_\_\_\_ Malakan Sales Rep \_\_\_\_\_

REFERENCES-Please provide active Jewelry Trade References (must be JBT rated)

(At least two must be a diamond vendor. Fax numbers are needed to expedite processing)

Name \_\_\_\_\_ ph# \_\_\_\_\_ fax# \_\_\_\_\_

Address \_\_\_\_\_ acct# \_\_\_\_\_

Name \_\_\_\_\_ ph# \_\_\_\_\_ fax# \_\_\_\_\_

Address \_\_\_\_\_ acct# \_\_\_\_\_

Name \_\_\_\_\_ ph# \_\_\_\_\_ fax# \_\_\_\_\_

Address \_\_\_\_\_ acct# \_\_\_\_\_

Name \_\_\_\_\_ ph# \_\_\_\_\_ fax# \_\_\_\_\_

Address \_\_\_\_\_ acct# \_\_\_\_\_

Name \_\_\_\_\_ ph# \_\_\_\_\_ fax# \_\_\_\_\_

Address \_\_\_\_\_ acct# \_\_\_\_\_

Name \_\_\_\_\_ ph# \_\_\_\_\_ fax# \_\_\_\_\_

Address \_\_\_\_\_ acct# \_\_\_\_\_

Name of Bank \_\_\_\_\_ phone # \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Account# \_\_\_\_\_

Do you have jewelers block insurance? \_\_\_\_\_yes \_\_\_\_\_no

Insurance Co. \_\_\_\_\_ Amount \_\_\_\_\_

Policy # \_\_\_\_\_

1. This agreement is between Malakan Diamond Co. and the undersigned  
"Customer".

1. Credit extension is requested on the basis of the above provided by the customer.

## **AGREEMENT**

### **A. REPRESENTATION AND WARRANTIES**

THE CUSTOMER APPLYING FOR CREDIT WITH MALAKAN DIAMOND CO. (MDC) REPRESENTS AND WARRANTS TO MALAKAN AS FOLLOWS:

1. All information provided in this Credit Application and Agreement is current, correct, and complete on the date hereof.
  1. The person signing this Credit Application and Agreement on behalf of the Customer has been authorized by the Customer to sign this Credit Application and Agreement on behalf of the Customer

### **B. EFFECTIVE TERMS OF AGREEMENT**

1. Upon request, the Customer will provide current updated credit information to MDC that will be correct and complete as of the date provided
  1. The customer will notify MDC immediately upon the occurrence of any material adverse change in its financial position.
    1. MDC may contact any of the customer's Bank and Trade references and the Customer consents to full disclosure to MDC of the information known to such references.
    1. Credit will be extended by MDC only after MDC, at its discretion, has reviewed and/or verified all the information provided by the Customer in this Credit Application and Agreement. All questions must be fully and properly answered.
      1. This Credit Application and Agreement may be terminated by either party at any time by written notice to the other. All obligations incurred to the date of termination shall remain in full force and effect, and all provisions of this Credit Application and Agreement shall be fully binding as to such obligations.
        1. MDC shall have the rights at all times to determine the volume and type of merchandise sold or consigned to the Customer.
          1. Any and all merchandise received on consignment by the Customer from MDC shall under no circumstances be shipped to any other locations or to a third party, including without limitation a third party unauthorized dealer, other than at the direction or with prior written consent of MDC. Transshipping of consignment merchandise in violation of the foregoing shall be deemed grounds for immediate termination of account status and may result in legal action by MDC. All contracts so terminated will become immediately due.
            1. Any extension of credit to the Customer pursuant to the terms and provisions hereof shall be deemed to be an acceptance by the Customer of all the terms and provisions hereof.
              1. Additional terms and conditions relating to merchandise consigned to the Customer by MDC will be included or a Consignment Memorandum to be signed by the Customer upon its receipt of such merchandise. Such consignment Memorandum includes the granting of a security interest to MDC in the consigned merchandise.
                1. Customer agrees to execute and deliver all UCC Financing Statements, and other documents, which MDC may deem necessary to protect its interest in Merchandise (and proceeds thereof) consigned and/or sold to Customer. MDC is hereby authorized to execute and file any such Financing Statements and other Documents on Customer's behalf.

### **C. TERMS OF CREDIT**

1. Unless otherwise provided in the invoice, all amounts due must be paid upon receipt at the gross invoice price. All payments shall be in U.S. Dollars by customer check, bank check or wire transfer cleared by issuing U.S. Bank.
  1. If an invoice is not paid when due, the Customer shall pay interest at the rate of 1.5% per month (18% APR) on all past due invoices. The rate of interest shall not exceed the maximum rate of interest permitted by law. All interest charges shall be due upon Customer's receipt of the billing statement.
    1. At MDC's option, payments received may be applied first to any interest due and then to the oldest principal balance of any of the Customer's invoices, whether or not any invoices are then past due.
      1. In the event the Customer's account is referred to a collection agency or attorney, MDC shall be entitled to recover and the Customer shall pay all collections expenses, commissions and attorney fees and disbursements, whether or not litigation is commenced.
        1. MDC may at time-to-time at your direction, in our sole and absolute discretion, consign diamonds, other precious stones, jewelry and other merchandise (collectively "Merchandise") to you. It is anticipated that each consignment of Merchandise to you will be accompanied by our standard form of memorandum and will be subject to all applicable terms of such memorandum. This application will confirm our understanding and agreement that (I) each delivery of Merchandise to you by us, whether made prior to the date hereof or after the date hereof, is made subject to all the terms of the standard MDC Consignment Memorandum, and (ii) your execution of this Credit Application and Agreement constitutes your acceptance of all the terms of the Memorandum.

**D. DEFAULTS**

- 1. In the event of default in payment under any invoice, under this Credit Application and Agreement, or under any consignment arrangement, the Customer's entire indebtedness to MDC shall be due and payable on demand.
- 1. Check payments or notes returned unpaid shall be subject to a forty-dollar (\$40.00) handling fee.
- 1. Should a legal action be necessary to enforce this agreement, all litigation shall be subject to California law, venue at Fresno, California.
- 1. In the event of litigation, the defaulting party shall pay all court fees and reasonable attorney expenses incurred.

**E. DELIVERY AND CHARGES**

- 1. MDC is not responsible for merchandise shipped by the Customer, for any reason, to MDC. Any and all returns or shipment of MDC merchandise MUST be made by U.S. Registered Mail and insured, at the sole cost and expense of the Customer, for the full value of the Consignment Memorandum or invoice. Upon request by MDC, the Customer shall provide MDC proof of such insurance.

**THE CUSTOMER HAS READ THE ABOVE AS TO THE CONDITIONS OF THE CONTINUED CREDIT AND UNDERSTANDS THE TERMS AND AGREED TO ABIDE BY THEM.**

Please note: Your application cannot be processed unless Malakan Diamond Co. receives a full and complete application.

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

**AUTHORIZATION**

I am the authorized representative/officer for the applicant and I authorize Malakan to verify the information on this application, and to receive and exchange information about me, including obtaining credit reports from credit reporting agencies. I authorize you to contact these sources to update information at any time. If you request, we will tell you the name and address of any credit bureau from which we received a credit report on you.

Signature of Authorizing Officer \_\_\_\_\_

\_\_\_\_\_  
Dated

## PERSONAL GUARANTY

I \_\_\_\_\_ guarantee the payment of all sums that  
\_\_\_\_\_ (Hereafter called "The Company") now  
Your company name  
or hereafter may owe Malakan should The Company default in payment of any sums due  
and payable to Malakan, I agree to pay Malakan all such sums. I agree that my liability  
under this guaranty shall not be affected by any change in terms of payment form The  
Company to Malakan. I also agree to be bound by the laws of State of California subject  
My person to the jurisdiction of Fresno Superior Court or the Federal Court for the  
Eastern District of California sitting in the City of Fresno.

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
Home phone #

\_\_\_\_\_  
Home address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip