

WALLACE INDUSTRIAL
A Division of Wallace Distribution
P.O. Box 6004 (5050 S. Davy Crockett Parkway)
Morristown, TN 37815 -6004 (37813)



TERMS OF SALE

The terms and conditions of this application shall, upon extension of credit by Wallace Distribution Co., will constitute an agreement of sale. Should a credit limit be granted by Wallace Distribution Co., all credit shall be extended at the sole discretion of Wallace Distribution Co. This credit limit may be increased, decreased or terminated at any time by Wallace Distribution Co. The parties hereto knowingly and intentionally waive the right to a jury trial on any issue or dispute that may arise between them. The parties agree to the non-exclusive jurisdiction of the State and Federal courts for Hamblen County, Tennessee, to hear any disputes relating to transactions between the parties, without prejudice to Wallace Distribution Co.'s right to bring litigation in the courts of customers location. Any sales that result from an extension of credit by seller shall be construed under the laws of Tennessee and any lawsuits resulting from the extension of credit may be commenced in the state of Tennessee. The undersigned agrees to pay all costs of collection or attempting to collect or secure any and all goods and services rendered. Also, the undersigned agrees that if proceedings are commenced to collect the indebtedness, twenty-five percent (25%) of the entire indebtedness shall be allowed and included the judgment thereon as attorney's fee, value received.

PAYMENT TERMS: Net 10th

Based on the information and references contain in this application, each applicant will be reviewed and either accepted as an account or declined.

Each account that is accepted will have a credit limit established. This credit limit will be determined by Wallace Distribution Co. This limit, stated in dollars, will represent the amount of credit Wallace Distribution Co. is willing to extend to the account at this point in time.

A credit status will be assigned to each account. This status represents the current condition of the account in relationship to the credit limit and any past due amount.

A status of "Okay" indicates the account is within the acceptable credit limit and there are no invoices past due. Show orders, promotional orders, direct orders and special orders will be accepted on the account that has an "Okay" credit status.

A status of "Review" indicates that the account has reached or exceeded the acceptable credit limit and/or there are outstanding invoices over forty-five (45) days past due. When an account obtains a "Review" status, each subsequent order must be approved or declined by the credit department. The credit department will contact the account and/or sales representative and attempt to resolve any credit issue. The credit department would have three (3) choices at this point. They could release the order to be charged to the account, provided they could resolve the credit issue. They could ship the order on a C.O.D. basis, or the order could be declined. Show orders, promotional orders, direct orders and special orders would be subject to credit department approval. A status of "Hold" would indicate that credit issues does not permit the acceptance of orders. Wallace Distribution reserves the right to revoke credit terms at managements discretion. Wallace Distribution Co. is committed to resolve credit issues that restrict the flow of merchandise and services. If the reason for a past due balance is a problem caused by Wallace Distribution Co., the sales person is responsible for correcting the problem and notifying the credit department. If an invoice is past due pending a credit from Wallace Distribution's suppliers, the sales person is responsible for notifying the credit department and will see that invoices are resolved in less than sixty (60) days.

SERVICE CHARGE: A 3/4 of 1 percent (18%) annum per fifteen-day service charge may be imposed to all invoices past due. **RESTOCKING CHARGE:** A restocking charge of 20% may be assessed on the credit memo for the authorized return of merchandise to Wallace Distribution for the reason of "customer convenience".

FREIGHT TERMS are subject to customer purchase order and method of delivery per order.

SPECIAL DELIVERY INSTRUCTIONS (if any, please list below):