

TERMS AND CONDITIONS

Invoices are due by the 10th of the month following purchases to receive 1% discount on balance (excluding sales tax).

All invoices not paid by 20th of month following purchase are considered PAST DUE and will be charged a Finance Charge of 1.5 per month (18% APR).

The Minimum Monthly Finance Charge is (see Term 5) \$.50.

The Returned Check Charge is (see Term 13) \$25.00.

1. AGREEMENT TERMS. The word "Account" means your Business Charge Account. The words "you", "your", and "yours" mean you, the Applicant, and any person or persons who are contractually liable under this Agreement.

2. ACCOUNT. Upon credit approval, a Business Charge Account will be opened in the Applicant's name with your acknowledgement that each use of the Account to charge purchases constitutes a loan for business purposes to you by the Creditor.

3. ACCEPTANCE OF AGREEMENT. The use of your Account by you or anyone whom you authorize or permit to use the Account means you accept this agreement.

4. PROMISE TO PAY. You agree to pay in U.S. Dollars for all purchase and/or services, including applicable finance charges and other late fees, incurred by you or anyone you authorize or permit to use the Account, even if you do not notify us that others are using the Account. All checks must be drawn on funds deposited in the U.S. We can accept late payments or partial payments or checks and money orders marked "payment in full" without losing any of our rights under this Agreement.

5. FINANCE CHARGE. When there is a balance subject to a FINANCE CHARGE on your Account, you will be assessed a FINANCE CHARGE on the part of that balance that is overdue at the periodic rate listed above. THE MINIMUM FINANCE CHARGE, listed above, will be assessed for any billing period in which the FINANCE CHARGE due is less than the MINIMUM FINANCE CHARGE.

6. BALANCE SUBJECT TO FINANCE CHARGE. The FINANCE CHARGE is computed by applying the monthly periodic rate shown above to the past due balance on your Account, subtracting any payments or credits and the unpaid FINANCE CHARGES, and adding any new purchases as of the closing date. You will not incur a FINANCE CHARGE on your new purchases, if you pay the total new balance due shown on each billing statement by the Payment Due Date.

7. MONTHLY STATEMENT. We will send you a statement of your account after each monthly billing cycle in which you have a debit in excess of \$1.00. The statement will show all purchases, finance charges and other late fees or other charges and all payments and other credits posted to your account during the billing cycle. It will show your New Balance, Minimum Payment Due and Payment Due Date.

8. All payments will be applied in the following order: Finance Charges and other charges or late fees and purchases in the order made.

9. LINE OF CREDIT. We will advise you of your line of credit. We may increase or decrease your line of credit from time to time. If you exceed your line of credit, you will be in default.

10. NON PAYMENT. You understand that all Account purchases will require authorization. If your Account balance is delinquent or in default, we may not authorize a purchase and we, at our discretion, may cancel your Account.

11. DEFAULT COLLECTION COSTS. You are in default if you fail to comply with the terms of this Agreement, including failing to make a required payment when due or exceeding your line of credit. If you are in default, we may charge you reasonable attorney's fees and court or other collection costs as permitted by law and as actually incurred by us.

12. RETURNED CHECK CHARGE. To the extent provided by law, you will pay us a Returned Check Charge, as listed above, for each check that is returned.

13. CREDIT INVESTIGATION AND REPORTING. We may investigate your credit and verify your credit references. We may also report to credit reporting agencies and other creditors the status and payment history of your Account including any negative credit information.

14. ASSIGNMENT. You understand that we may sell, assign, or transfer our rights to your Account balance or any portion thereof without written notice. You may not sell, assign or transfer your rights under this Agreement without prior written consent.

15. CANCELLATION. You may cancel the Account upon 30 days written notice to us. You understand that you will be responsible for all outstanding balances and for all purchases and other applicable charges made up to and including the date of cancellation.

16. CHANGE OF TERMS. We may change any term or part of the Agreement, including finance charge rate, fee or method of computing any balance upon which the finance charge rate is assessed, by sending you a written notice at least 30 days before the change is to become effective. We may apply such change to the outstanding balance of your Account on the effective date of the change and to any new charges made after that date. If you do not agree to the change, you must notify us in writing within 25 days after the effective date of the change at the address provided in the notice of change, in which case your Account will be closed and you must pay us the balance that you owe us under the existing terms of the unchanged Agreement. Otherwise, you will have agreed to the changes in the notice. Use of the Account after the effective date of the change shall be deemed acceptance of the new terms, even if the 25 days have not yet expired.

17. CHANGE OF ADDRESS. If you change your address, you must notify us of your new address within 15 days.

18. GOVERNING LAW. This Agreement will be governed by the laws of the State of North Carolina.

19. NOTICE TO YOU. DO NOT SIGN THIS BUSINESS ACCOUNT AGREEMENT BEFORE YOU READ IT. You agree to be bound by the terms and conditions of this Agreement for a Business Charge Account. You authorize us or our agents to investigate your credit and financial records, including balances in any checking or savings account. You certify that the information contained in this Application is true and correct as of this date and you understand that you may be asked to submit additional or updated financial information. You agree that any person signing this Application on your behalf is authorized to enter this Account Agreement. The Account Agreement shall not be binding or enforceable upon us until after approval of your credit and acceptance by us.