

TERMS AND CONDITIONS OF CREDIT

1. **Amount and Approval.** The Customer has requested a commercial line (the "Line of Credit") from Fromm Electric Supply Corp. of Reading, PA ("Fromm"). The line of credit will become available to the Customer upon approval of this application and agreement by an authorized representative of Fromm.
2. **Payment.**
 - A. Until Fromm Electric shall give written notice to you of a change therein, our terms are Prox 25 from invoice date. Fromm Electric does not agree to defer payment or collection beyond this date and may take action to enforce our rights, regardless of any Late Charges or partial payments that may be made.
 - B. Fromm is committed to providing customers a range of options for paying for their purchases including e-check, check, ACH, wire, cash and credit card. If payment is made with VISA, MasterCard, Discover, or American Express a 2.50% processing fee will be assessed on the payment amount. Payments may be made via e-checks, checks, ACH, wire and cash without a processing fee.
3. **Interest.** Interest shall accrue on the principal balance which is outstanding and past due on the Line of Credit at an annual rate which is equal to 1.5% per month or 18.0% annually.
4. **Security Interest.** The Customer hereby grants Fromm a security interest in all goods, including accounts receivable, inventory, merchandise and other property sold by Fromm to the Customer, all cash, non-cash and insurance proceeds thereof including accounts in order to secure payment to Fromm of all sums due and owing by the Customer to Fromm. The Customer authorizes Fromm to file a UCC 1 Financing Statement with the appropriate office.
5. **Default/Remedies.**
 - A. Default. The failure by Customer to make on or before the due date thereof any required payment under this Agreement, or other failure of Customer to perform any other term or condition of this Agreement in a timely manner (or any other agreement between Customer and Fromm) shall constitute an Event of Default under this Agreement.
 - B. Upon the occurrence of a Default described above, Fromm shall be entitled to exercise any one or more of the following remedies, which may be exercised singly or in any combination, serially or concurrently, and at any time or times and whenever a Default is continuing unwaived or unremedied:
 - (i) in writing demand immediate payment in full of all accrued and unpaid interest and all principal which is then outstanding and unpaid under this Agreement;
 - (ii) exercise any and all remedies which may then be available to Fromm under any or all applicable state or federal laws, including but not limited to Fromm's rights, remedies, powers or privileges under the Pennsylvania Uniform Commercial Code.
 - (iii) suspend or cancel the Line of Credit.
6. **Costs and Expenses.** Customer covenants and agrees to reimburse Fromm for all costs and expenses incurred by Fromm in enforcing this Agreement, its rights hereunder, collecting any sum due hereunder, and/or exercising its remedies hereunder, including but not limited to attorney's fees in the amount of the greater of \$500.00 or twenty percent (20%) of the sums due hereunder.
7. **Legal Effect.** This Agreement shall bind and inure to the benefit of Fromm and the Customer, and their respective successors, assigns, heirs or legal representatives; provided, that the Customer may not assign this Agreement without Fromm's prior written consent and shall not be released from its duties and obligations hereunder by any assignment hereof or consent by Fromm to such assignment unless Fromm shall have expressly released the Customer in writing.
8. **Limitations on Remedies.** Unless otherwise agreed between Customer and Fromm, Customer's exclusive remedy against Fromm for breach of this application or the warranty set forth above, if any, shall be to permit Fromm to cure the non-conforming goods by, at Fromm's option, replacement of defective parts or delivery of replacement goods. The above is subject to full compliance by Customer with any instructions of Fromm or the manufacturer regarding storage, handling, assembly and application pertaining to the particular goods sold, and such instructions are hereby incorporated by reference and made part of this agreement.
9. **Limitations on Liability.** Fromm's liability for damages for any cause whatsoever, whether in contract (including for failure to deliver or delays in delivery) or tort, including negligence shall be limited to the total price paid for the goods which are the subject of the dispute. Other than as specified herein, in no event shall Fromm Electric be liable for direct, consequential, indirect, special or incidental damages for any cause whatsoever.
10. **Statute of Limitations.** Any action for breach of this Agreement must be commenced by Customer within thirteen (13) months after the cause of action has accrued.
11. **Delays, Force Majeure.** Fromm shall not be liable for delays in delivery of the goods or failure to deliver the goods caused, in whole or in part, by inability to obtain transportation, equipment, or material, insurrection, fires, floods, storms, embargoes, action of any military or civil authorities, whether legal or de facto, strikes, labor difficulties, lockouts, acts of God, or other similar or different circumstances beyond the control of Fromm Electric.
12. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of Fromm and the Customer regarding the subject matter hereof. This Agreement may not be amended or any provision hereof waived, unless such amendment or waiver is reduced to writing and signed by the party against whom it is sought to be entered. Upon notice to the Customer, Fromm shall have the right to withhold delivery of goods except for payment in cash, whether or not a default by Customer or any Guarantor(s) shall have occurred.
13. **Execution.** The signature by the Customer constitutes the Customer's representation and warranty that the information contained in this application and Agreement is true and correct, and the Customer's promise to inform Fromm of any material change in that information.
14. **Amendment.** Fromm Electric reserves the right at any time to alter or suspend credit or to change credit terms provided herein when, in Fromm Electric's sole opinion, the financial condition of Customer so warrants. In such case, in addition to any other remedies herein or by law provided, cash payment or satisfactory security from Customer may be required by Fromm Electric before delivery, or the due date of payment by Customer under any contract or order with Fromm Electric may be accelerated by Fromm Electric. Failure of Customer to pay invoices at the due date makes, at Fromm Electric's option, all subsequent invoices immediately due and payable, irrespective of terms, and Fromm Electric may withhold all subsequent deliveries until the full account is settled.