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AIR CONDITIONING AND HEATING PARTS + SUPPLIES

CREDIT AGREEMENT

By purchasing materials, equipment and supplies from Passage Supply Company a Texas Corporation (the Company) on credit, the undersigned customer and his or her spouse (if applicable) agree as follows (whether one or more, the "Customer"):

1. **Responsibility for Purchases of Items on Credit:** Customer is responsible for the payment of the purchase price of All materials, equipment and supplies, including any applicable sales tax, purchased by Customer from the Company on credit.
2. **Credit Limit:** Customer shall have a credit limit in such amount as the Company and the charges permitted to be Assessed to Customer under this agreement must not exceed the credit limit. The Company may increase, Decrease or revoke Customer's credit limit at any time without any prior notice and without the consent of the Customer.
3. **Payment:** Customer will pay the Company at the place indicated on the monthly statement all debts and Obligations under this agreement and the Company's monthly statement, including any finance charges assessed Under the terms of this agreement. The entire amount of the obligations shall be paid in full by Customer Monthly within the time stated in the monthly statement.
4. **Finance Charge on Purchases:** Customer will not be obligated to pay a finance charge if the entire balance of the Monthly statement is paid on or before the due date shown on the monthly statement. In all other cases a Finance charge will be due and payable, calculated from the date of the purchase until paid in full at a rate Corresponding to an annual percentage rate of eighteen percent (18%).

NOTICE TO CONSUMER: UNDER TEXAS LAW, IF YOU CONSENT TO THIS AGREEMENT, YOU MAY BE SUBJECT TO A FUTURE RATE AS HIGH AS 24 PERCENT PER YEAR.

5. **Returned Check Fee:** Customer will be charged a fee of \$20.00 for each check or other instrument that is not Honored by the bank or other financial institution on which the check or other instrument is drawn.
6. **Default:** Any of the following events shall constitute a default under this agreement and require the immediate Payment of all amounts due under this agreement.
 - a. Customer's failure to make any required payment by the due date under this agreement.
 - b. The total balance due under this agreement, including any purchases, finance charges, and late fees Exceeds the credit limit.
 - c. Customer's failure to comply with any other term of this agreement.

In the event of a default, the Company may require Customer to pay all collection and court costs and Reasonable attorney's fees, in addition to the total balance due and payable under this agreement.

7. **Credit Reports:** The Company may request that credit reporting agencies provide credit history Reports regarding Customer in connection with any extension or renewal of credit. After written request by Customer, the Company Will provide Customer with the names and addresses of all Credit reporting agencies who provide credit history Reports to the Company in connection with any extension or renewal of credit to Customer. All transactions Under this agreement, including the amount of credit extended, the balance outstanding at any time, and any Failure to comply with the terms of this agreement, may be reported to credit reporting agencies.



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8. Amendments: The terms of this agreement may be amended by the Company at any time by providing notice in Writing at least 30 days before the date on which the amendment becomes effective. Any amendment will not Require the written consent of Customer. In the event the Customer does not agree to the amendment, Customer will notify the Company in writing, and pay in full the balance due and owing to the Company under The terms of the agreement prior to the amendment.
9. Assignment: Customer will not assign or transfer the credit extended hereunder or the rights and obligations hereunder without the prior written consent of the Company.
10. Governing Law: This agreement and any transactions under the agreement shall be governed by and construed In accordance with the laws of the State of Texas.
11. Entire Agreement: This agreement and the application attached hereto is the entire agreement between the Company and Customer regarding the extension of credit from the Company to Customer and supersedes all prior agreements between the Company and Customer.
12. Rights of Customer: NOTICE TO CUSTOMER: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE AGREEMENT YOU SIGN. KEEP THIS AGREEMENT TO PROTECT YOUR LEGAL RIGHTS.
13. Consumer Credit Commissioner: NOTICE: THIS AGREEMENT MAY BE SUBJECT TO TEXAS LAW THAT IS ENFORCED BY THE CONSUMER CREDIT COMMISSIONER 2601 NORTH LAMAR STREET, AUSTIN, TEXAS 78705-4207. PHONE (512) 479-1280, (214) 263-2016, (713) 461-4074.