



MID-SOUTH LUMBER CO. OF NW FL INC.

CREDIT POLICY

We offer credit to:

- All customers with verified creditworthiness

We verify creditworthiness by:

- Evaluating information shown on customer's credit report
- Checking at least 3 Trade References on Business Accounts

The maximum amount of credit we offer is:

- Unlimited if the customer is well established, consistently pays their account in a timely manner & their jobs can be secured with the Florida Lien Law

The credit limit may be reduced if the customer has:

- An unreliable payment history
- One or more past due invoices

We offer credit terms of:

- Net 30
- 1% 10th

We offer these incentives for early payment:

- 1% discount for payment received before due date on payments made via cash or check
- Higher credit limits for customers who consistently pay their account in a timely manner

Late payment results in:

- Finance charges of 18% APR or 1 1/2% per month, imposed on the 20th of the month
- Reduced credit limits
- Revocation of credit privileges

We collect overdue bills by taking the following steps:

- At 5 days past due, we send a friendly reminder
- At 8 days past due, we call the customer
- At 30 days past due, customer is notified of collection status; ie. Lien/legal etc...
- At 60 days past due, account is turned over for collections and/or lien placed on property

We handle cancellations and refunds as follows:

- Special Order items are non-refundable unless approved by vendor. If item is approved, a restocking fee will apply those items
- A credit will be issued to account for materials returned in good condition
- Returns made by cash customers will only be credited with original receipt and credit will be issued via original payment method
- Cash refunds below \$50 will be authorized at cash register
- Refunds over \$50 will be issued a check and mailed to the customer through the accounting department

The Comptroller, followed by the Assistant Comptroller is responsible for enforcing the company's credit policy, opening new accounts, setting credit limits, placing accounts on hold, over riding finance charges, and determining when to turn accounts over to an outside collection agency or to file liens. The President has authority over the Comptroller and the Assistant Comptroller.