TERMS OF PAYMENT. Unless otherwise stated, payment terms are net 30 days from Seller's invoice date for those customers with approved credit terms. Credit terms are subject to the approval of Seller and may be changed at any time and from time to time by Seller in its sole discretion. Buyer agrees to provide credit references upon request before orders are accepted by Seller. Any errors contained in Seller's invoice must be brought to the attention of Seller within five days of receiving an invoice. Failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer.

SECURITY.

Generally. If, during performance of this Agreement, Seller determines in its sole discretion that Buyer's financial condition does not justify the terms of payment specified, Seller may (a) demand, before proceeding with delivery of Products, full or partial payment in advance, satisfactory security or guaranties that invoices will be promptly paid when due or (b) at its option and without prejudice to other remedies, defer delivery of the Products or cancel this Agreement. Buyer agrees to reimburse Seller for all costs and fees including, (but not limited to) attorneys' fees and repossession fees, incurred by Seller in collecting any sums owed by Buyer to Seller. Buyer agrees to pay a late payment charge of 1-1/2% per month (or, if less, the maximum amount allowable by law) on all amounts not paid in full when due, payable on Seller's demand. Buyer shall not set off amounts due to Seller against claims or other amounts.

Security Interest. In partial consideration for Seller's sale of Products to Buyer, Buyer hereby grants to Seller and Seller hereby retains a security interest in all Products sold to Buyer and documents relating to such Products now or hereafter in the possession of or under the control of Buyer, title to which might at any time be determined to have passed to Buyer, including, without limitation, all inventories of the Products (or any other product bearing any trademark or trade name of Seller or its affiliates or suppliers), returns or repossessions and the proceeds, including insurance proceeds and proceeds from products in which the Products were an input, of all of the foregoing, together with the additions and accessions thereof, to secure all of Buyer's obligations to Seller under this Agreement and all other obligations of Buyer to Seller. Buyer agrees to execute financing statements, continuation statements and other documents evidencing the security interest in the Products, and to take such actions as may be required by Seller to evidence or perfect the security interest granted herein. With respect to such statements and documents, Seller is authorized in Buyer's name or otherwise to take such actions as permitted under this Agreement or applicable law, including, without limitation, signing Buyer's name, and Buyer hereby appoints Seller as its attorney-in-fact for such purpose.