

# Credit Policy

Leaf River Ag Service

Effective: March 1, 2021

**1. Credit Approval:** A credit department approved credit application is required before charges can be made to an open account.

**2. Terms:** Purchases made during the month are due in full when the customer's credit limit is reached or by the 15<sup>th</sup> of the month following the month in which the transactions took place, whichever occurs first (such date shall be referred to as the "Due Date"). If an account balance has not been paid within ten (10) days after its Due Date, then such amount will be deemed past due. If an account is past due no discounts will be allowed.

**3. Past Due Accounts:** Accounts deemed past due, pursuant to our credit policy, will be assessed a finance charge of 1.5% per month (18% Annual Percentage Rate) on all past due invoices. Leaf River Ag Service reserves the right to close a past due account to all future purchases and may demand immediate payment in full. **A minimum of \$5.00 will be charged.**

**4. Right of Offset:** Leaf River Ag Service or its predecessors or assignees, reserves the right to apply monies owed to you by Leaf River Ag Services to your past due account with us.

**5. Payments:** Payments will be applied first to unpaid finance charges, then to the remaining outstanding balance.

**6. N.S.F. Checks:** The maximum allowable fee will be assessed on each returned check/item. Collection action and /or prosecution action will be taken.

**7. Collections:** Leaf River Ag Service reserves the right to take collection action at any time after an account reaches a past due status. Leaf River Ag Service is not bound to any notation of "paid in full" or otherwise that accompanies any payment if the payment is not for the total amount owed at that time. Any agreement for a lesser amount than what is owed must be expressly agreed to by Leaf River Ag Service in a written Agreement signed by Leaf River Ag Services' CEO or Credit Manager.

**8. Prepayment:** Customers choosing to prepay for their purchases may do so at any time. Cash will be placed on account on a dollar for dollar basis. Prepaying for item specific purchases may allow producers the opportunity to take advantage of a current pricing structure or discounts where applicable. Those producers who prepay for specific items understand prepay pricing is not held indefinitely, and prices are subject to expire at the end of Leaf River Ag Services' fiscal year (Feb. 28<sup>th</sup>) or as noted on the booking or contract.

**9. Credit/Debit Cards:** Credit/Debit Cards will only be accepted for payment of consumer purchases (non-agricultural purchases). John Deere Financial credit (formerly Farm Plan) and CHS Capital are available for agricultural and consumer purchases upon approval. **A credit card transaction fee may apply.**

**10. Budget Billing:** Budget Billing is available on home heating fuel. Monthly budget billings must be paid by the 15<sup>th</sup> of the following month to avoid finance charges (see also #3 for finance charge info). Any deficit balances on budget accounts must be paid by July 1<sup>st</sup> of each year in order to be eligible for further participation in the budget program. Leaf River Ag Service reserves the right to adjust budget billing amounts based on fuel consumption versus budget payments.

**11. Bulk Refined Fuels:** Deliveries less than minimum amounts and non-scheduled deliveries after normal business hours may be subject to additional service charges. Out of gas deliveries (propane) may be subject to additional service charges. Unapproved or past due accounts are cash prior to delivery.

**12. Collection Costs:** The customer shall be liable for the payment of all our collection costs, court costs, and attorney's fees to pursue payment of your debt in the event that payment is not received when due.

**13. Account Disputes:** Disputes must be **reported in writing** to the main office located at: PO Box 511, 1504 Homecrest Ave SE, Wadena MN 56482 (218-631-1020). **Any dispute arising more than 30 days after purchase shall be invalid.**

**This policy has been designed to protect Leaf River Ag Service and the customers we serve.**

The Leaf River Ag Service Board of Directors reserves the right to make changes to this policy at any time. Customers with an established account will be notified in writing of such changes at least 30 days prior to the effective date of the change. Leaf River Ag Service also reserves the right to delay enforcement of this policy without losing the right to enforce this policy.

**Integration clause: This is the entire agreement of the parties, any amendments must be in writing executed by an officer or manager of Leaf River Ag Service.**