



COAST SPAS MANUFACTURING STANDARD TERMS AND CONDITIONS OF SALE FOR PRODUCTS

Coast Spas Manufacturing, a corporation organized under the laws of British Columbia, Canada with its principal place of business located at 6315 202nd Street Langley, B.C. Canada (hereinafter referred to as "MANUFACTURER")

1. **Applicable Terms.** This Agreement governs the sale of hot tub and swim spa products, components, parts, accessories, and materials provided by the MANUFACTURER ("Products"). Any applicable addenda, these terms, the MANUFACTURER's proposal, price quote, purchase order, or acknowledgement issued by the MANUFACTURER form the parties' final agreement ("Agreement"). This Agreement may be amended at the sole discretion of the MANUFACTURER.
2. The MANUFACTURER's sale of Products is conditioned on Buyer's acceptance of this Agreement. Any additional or conflicting terms in Buyer's request for proposal, specifications, purchase order or any other written or oral communication are not binding on the MANUFACTURER unless separately signed by an authorized signatory of the MANUFACTURER. The MANUFACTURER's failure to object to Buyer's additional or conflicting terms does not operate as a waiver of any terms contained in this Agreement.
3. **Product Pricing:** The MANUFACTURER, shall set the price at which the Products are sold to the Buyer. Products shall be sold and invoiced to the Buyer at the MANUFACTURER's prices quoted to the Buyer upon acceptance of each order by MANUFACTURER. Due to the volatility of material costs, pricing is subject to change without notice and final pricing will be confirmed at the time of shipping.
4. **Sales Orders:** All orders for Products by the Buyer shall be initiated by the Buyer's issuance of a written purchase order sent via the MANUFACTURER's website, email, facsimile, or mail to the MANUFACTURER or such other place as designated by the MANUFACTURER. Such orders shall state unit quantities, unit descriptions, requested delivery dates, and shipping instructions. The acceptance by the MANUFACTURER of an order shall be indicated by written acknowledgment thereof by the MANUFACTURER following receipt of each order.
5. **Acceptance and Cancellation of Orders:** This Agreement shall control orders of Products by the Buyer. Any conflicting or different or additional terms or conditions contained in the Buyer's purchase order, MANUFACTURER's acknowledgment, or other similar document shall not add to or modify the terms of this Agreement. The MANUFACTURER shall have the right to cancel any order placed by the Buyer or to refuse or delay the shipment thereof to the extent that the Buyer is in default of any payment obligations hereunder. The Buyer may cancel an order, or any part thereof, for Products which the MANUFACTURER has accepted only by providing written notice to the MANUFACTURER prior to the commencement of manufacturing and of such Products and by paying a cancellation charge of 35% of the order value as requested by the MANUFACTURER. The Buyer may not cancel an order for Products or custom-made Products which the MANUFACTURER has accepted and commenced manufacturing or has scheduled to ship unless confirmed in writing by the MANUFACTURER and by paying such reasonable cancellation charge as requested by the MANUFACTURER, which cancellation charge may include, without limitation, reasonable tooling and works-in-progress expenses requested by the MANUFACTURER.
6. **Delivery:** Except as otherwise stated in the MANUFACTURER's order confirmation, all Products shall be FOB MANUFACTURER's facility in Langley, British Columbia.

7. Payment for Hot tubs and Swim Spas: Unless other payment terms are previously agreed in writing by MANUFACTURER, BUYER shall make 25% payment upon placing orders and the balance due 7 days prior to the estimated shipping date for all Products ordered from MANUFACTURER by BUYER. If MANUFACTURER shall agree to extend any credit terms to BUYER, any amount owed to MANUFACTURER which is not paid when due shall bear interest calculated and compounded at the rate of 1.5% per month. BUYER shall reimburse MANUFACTURER for all costs and expenses (including attorney's fees on a full indemnity basis) incurred by MANUFACTURER in collecting any payment owed to MANUFACTURER hereunder.
8. Payment for components, parts, accessories, and materials: Unless other payment terms are previously agreed in writing by MANUFACTURER, BUYER shall make 100% payment upon placing orders. If MANUFACTURER shall agree to extend any credit terms to BUYER, any amount owed to MANUFACTURER which is not paid when due shall bear interest calculated and compounded at the rate of 1.5% per month. BUYER shall reimburse MANUFACTURER for all costs and expenses (including attorney's fees on a full indemnity basis) incurred by MANUFACTURER in collecting any payment owed to MANUFACTURER hereunder.
9. Payment by Credit Card or Cheque: A 3.5% service fee will be applied to all payments made by credit card or cheque.
10. Late Payments. Late payments shall bear interest of 1.5% per month. BUYER shall reimburse MANUFACTURER for all costs and expenses (including attorney's fees on a full indemnity basis) incurred by MANUFACTURER in collecting any payment owed to MANUFACTURER hereunder.
11. Retention of Title: Title to the Products shall remain with MANUFACTURER until receipt of the full payment of the purchase price from the BUYER. To the extent legal title to the Products shall be deemed by law to pass to BUYER at the time of delivery and prior to performance of all of BUYER's obligations hereunder, equitable title shall remain in MANUFACTURER until payment in full of the purchase price, and BUYER shall grant, and by acceptance of the Products shall be deemed to have granted, to MANUFACTURER a first security interest (or to the extent applicable, a purchase money security interest) in all Products to secure payment of the purchase price and other amounts owing by BUYER and performance of all of BUYER's obligations to MANUFACTURER. MANUFACTURER may reclaim any Products delivered to BUYER or in transit if BUYER shall fail to make payments when due. BUYER shall reimburse MANUFACTURER for all costs and expenses (including legal fees on a full indemnity basis) incurred by MANUFACTURER in collecting and shipping the products, and the cancellation fee owed to MANUFACTURER.
12. Warranties. The MANUFACTURER warrants that: (i) each Product is free from defects in material and workmanship; (ii) each Product materially conforms to the MANUFACTURER's specifications; and (iii) at the time of delivery, The MANUFACTURER has title to each Product free and clear of liens and encumbrances (collectively, the "Warranties").
13. Conditions to the Warranties. The Warranties are conditioned on: (i) no repairs, modifications or alterations being made to the Product other than by The MANUFACTURER or its authorized representatives; (ii) Buyer handling, using, storing, installing, operating and maintaining the Product in compliance with any parameters or instructions deemed appropriate by the MANUFACTURER (iii) Buyer discontinuing use of the Product after it has, or should have had, knowledge of any defect; (iv) Buyer providing prompt written notice of any warranty claims within the warranty period provided by the MANUFACTURER for each Product; (v) at the MANUFACTURER' discretion, Buyer either removing and shipping the Product or non-conforming part thereof to the MANUFACTURER, at Buyer's expense, or granting the MANUFACTURER reasonable access to the Products to assess the warranty claims; (vi) Product not having been subjected to accident (including force majeure), alteration, abuse or misuse; and (vii) Buyer not being in default of any payment obligation.

14. Remedies. Buyer's sole and exclusive remedies for breach of the Warranties are limited, at the MANUFACTURER'S discretion, to repair or replacement of the Product, or its non-conforming parts.
15. Limitation of Liability: The MANUFACTURER's liability to the Buyer shall be limited to the cost of the Products sold to the Buyer. The MANUFACTURER shall not be liable for any special, indirect, or consequential damages arising from the sale or use of the Products.
16. Governing Law and Jurisdiction: Any disputes arising from the sale of Products between the MANUFACTURER and the Buyer shall be governed by the laws of British Columbia where the MANUFACTURER is located, and any legal action shall be brought in the courts of British Columbia.
17. Entire Agreement: These terms and conditions constitute the entire agreement between the MANUFACTURER and the Buyer and supersede all prior negotiations, agreements, and understandings, whether written or oral