

Extended Service Contract European Touch

This Extended **Service Contract** ("Contract") is made by and between European Touch Holdings, Inc. (ET), a Delaware corporation, also referred to as "We", "Us", or "Our", and the purchaser of the Contract, as identified on the Registration Page. (Within this Contract, the purchaser is also referred to variously as "You" or "Your".) This Contract consists of the Registration Page and the terms and conditions herein. The full understanding of the Parties is embraced herein and no alteration, waiver, or modification of these provisions will be valid unless made in writing and signed by an authorized representative of both Parties. If You have questions regarding this Contract call Us at 866-774-7078.

1. Definitions

- a. "Administrator" Kemper Cost Management Inc. 4343 Will Rogers Parkway, Oklahoma City , OK 73108.
- b. "Breakdown" means the electrical or mechanical failure of any Covered Equipment caused by manufacturer defect.
- c. "Claim" means the final cost of providing parts and service for a Covered Event.
- d. "Consumable" means components, parts, supplies, or items normally depleted or directly consumed as a result of normal equipment usage or operation.
- e. "Co-payment" means the financial risk assumed by You for all Your Covered Equipment. You will be required to make a co-payment of \$25.00 for each Claim, which co-payment your service provider will collect from You, and You must pay, at the time of service; provided, however, that a co-payment shall not apply for any Covered Event if only parts and no services are supplied with respect to the Covered Event.
- f. "Covered Equipment" means the European Touch pedicure spa or spas listed and described in the contract registration page, that is provided by Us. Unless specifically stated otherwise in the contract registration page, the bowl on any Murano Brand Spa Chair listed on the contract registration page is not Covered Equipment.
- g. "Covered Event" means any Breakdown that is determined to be covered under this Contract.
- h. "Obsolete" means any equipment, device or system, or any sub-assembly or part thereof, that is no longer serviceable by virtue of the manufacturer's inability to offer replacement parts for, or provide service for the item; or has been declared to no longer meet the minimum standards for its intended use by the manufacturer, any regulatory body or agency having jurisdiction thereon.
- i. "Seller" means any ET Dealer authorized to sell Extended Service Contracts.

2. What Is Covered

This Contract covers reasonable parts, labor, and travel costs resulting from a Breakdown. We will pay for authorized repairs to Covered Equipment when required due to a Covered Event, which is not covered under any other warranty, service contract, or insurance policy. Labor is only covered if the service is done by a pre-authorized European Touch preferred service provider and Labor is not covered for those parts listed on attached Exhibit A as provided below. In order to ensure that the Covered Equipment continues to comply with UL and NSF approvals and applicable state and local plumbing and other certifications, replacement parts and components shall be either genuine European Touch parts and components or parts and components approved for use by European Touch as set forth in your owner's manual. We may, at Our option, replace entire units or assemblies, and removed parts will become the property of Administrator. In no event shall this Contract be construed to cover any special costs imposed by Your landlord or other party controlling the building in which Covered Equipment is located such as the cost of fidelity bonding or unique licensing requirements, all of which costs shall be borne by the You.

3. Co-Payment

A \$25 co-payment shall be payable for each Covered Event under this Contract. Accordingly, we will not pay any Claim or portion thereof for any Covered Event unless You make this co-payment at the time of service of the Covered Event. Notwithstanding the foregoing, as provided above, no co-payment shall apply for any Covered Event if only parts and no services are supplied with respect to the Covered Event.

4. Insurance

This is not a contract of insurance. Breakdown obligations under this Contract are fully insured under a Contractual Liability/Service Contract Reimbursement Insurance Policy issued by Marathon Financial Insurance. Should services covered under this Contract not be paid within ninety (90) days from date of loss, then You may apply for reimbursement directly to Marathon Financial Insurance contacting Claims Department, Marathon Financial Insurance, whose contact information is as follows: 1716 Corporate Crossing Suite 2, O'Fallon, IL 62269.

5. Payment Requirement

This contract is not valid unless the Contract Price indicated on the Registration Page has been paid in full to Us.

6. Exclusions

We will not pay for any service charges, costs, or other loss on the Covered Equipment arising out of any willful misrepresentation of service claims submitted to Us or collusion with other parties, including but not limited to service providers, with or without the intent to seek profitable gain by the parties.

- a. We will not pay for any service charge, costs, or loss arising out of, resulting from, or contributed to by the following:
- i. Any intentional damage;
 - ii. Any accident, misuse or abuse including but not limited to; improper use, improper installation, improper cleaning, physical damage, damage caused by spills or other introduction of foreign matter to any Covered Equipment;
 - iii. Any fraudulent, dishonest or criminal action, or omission on the part of You, Your employees, agents, or representatives, or the intended or actual gaining of any personal profit or advantage by You, Your employees, agents, or representatives thereof to which You or such person was not legally entitled;
 - iv. Overtime, emergency or after hours repair charges;
 - v. Preventive maintenance;
 - vi. Any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal, or disposal of any mold, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals (solids, liquids, or gases), waste materials (including materials which are intended to be or have been recycled, reconditioned, or reclaimed), or other irritants, pollutants, or contaminants, including without limitation any regulation, order, direction, or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize any of the foregoing, or any action taken in contemplation or anticipation of any such regulation, order, direction, or request;
 - vii. Any actual or alleged bodily injury to, or sickness, disease, or death of any person, or any resulting damage to or destruction of any property;
 - viii. Any hostile or warlike action, including: (a) action in hindering, combating, or defending against an actual, impending, or expected attack by any government or sovereign power (de jure or de facto); (b) action by any authority maintaining or using military, naval, or air forces, or any agent of any such government, power, authority, or forces; (c) any act of terrorism by a domestic or foreign person, party, government, or group; and (d) any insurrection, rebellion, revolution, civil war, or usurped power, riot, riot attending a strike, commotion, any action in hindering, combating, or defending against any such occurrence, or seizure order of any government or public authority;
 - ix. Any nuclear reaction, nuclear radiation, or radioactive contamination;
 - x. Any actual, alleged or threatened exposure to environmental factors, or external causes, such as electrical surges, lightning, fire, smoke, flood, water, humidity, windstorm, dust, temperature, hail, earth movement (including but not limited to earthquake, volcanic eruption, landslide, subsidence, mudflow, earth sinking or shifting), explosion, aircraft, vehicles, sprinkler leakage, vandalism, or malicious mischief;
 - xi. Any defect or fault in material, workmanship, or design which was known, or which should have known, to You prior to the execution of this contract;

- xii. Any business interruption, delay, or loss of market, consequential penalties imposed for non-completion or delays in the completion of any contract, noncompliance with any contract performance stipulation, fines, penalties, or punitive damages, or any costs incurred to avoid any of the above, any suspension, lapse, ending or cancellation of any license, lease or permit, or any injunction or process of any court;
 - xiii. Any increase in hazard by any means within Your knowledge or control;
 - xiv. Failure to install the Covered Equipment in accordance with European Touch's installation instructions and applicable state and local plumbing, electrical and building codes and other applicable laws and regulations or failure to use a licensed professional to install the Covered Equipment;
 - xv. Failure to use the Covered Equipment in compliance with all regulatory and industry guidelines (including without limitation, UL and NSF guidelines and applicable state and local plumbing, electrical and building codes and other applicable laws and regulations);
 - xvi. Services that do not identify and correct a specific Breakdown, or any adjustment, alignment, calibration, or similar service not related to a Covered Event; or.
 - xvii. Use of cleaning and sanitizing solutions, other than those approved by European Touch in instruction labels for the Covered Equipment or which are required by the provisions of applicable law. Repeated use of concentrated chlorine or other chemicals will void this Extended Service Contract, except to the extent such use is required by the provisions applicable law.
- b. We will furthermore not pay for any service charge, costs, or loss associated in any way with:
 - i. Data processing media and software, including diagnostic software;
 - ii. Property useless or Obsolete to You as of the inception date of this Contract;
 - iii. Consumable, expendable, or disposable supplies, such as, but not limited to: (a) oil, grease, or other lubricants, (b) coolants, refrigerants, or other fluids; or (C) user-replaceable batteries, filters, or light bulbs;
 - iv. Betterment, improvements, or upgrades to the Covered Equipment or systems, including recommendations that may be made by the manufacturer or a service provider;
 - v. Repairing or replacing parts when deficiencies occur as a result of any service;
 - vi. Cosmetic restoration; or
 - vii. Any devices, systems, or repairs covered under any other warranty, guarantee, service contract or agreement, or under any insurance policy.
 - c. We will not pay for the Labor to install those parts listed on attached Exhibit A which consist of items which do not require the skills of a trained technician to install.

7. Territory

This Contract applies to any Covered Event occurring anywhere within the fifty (50) states of the United States of America, the District of Columbia, and select territories and locations when sold by ET Warranty Program authorized dealers, except where prohibited by law.

8. Reporting of Covered Events

If the cost of the repair may exceed \$250, You must notify Us at 800-808-8742, prior to authorizing or commencing any service. Failure to notify Us may result in denial of Your Claim.

You shall report all Covered Events and supply any related documentation no later than ninety (90) days after the date of loss. Covered Events shall be reported to Us via electronic data transfer, or when necessary, by such other means as will provide timely notice. We have the right to receive copies of service invoices and all pertinent documentation promptly upon request. Notwithstanding the foregoing to the contrary, at the end of the sixty (60) day period following expiration of the Contract Period (as specified on the Registration Page), the Contract shall be declared closed for all purposes (i.e., all Claims must be submitted on or before the end of such sixty (60) day period.

9. Limit of Liability

Our maximum Limit of Liability throughout this Contract shall not exceed the limit of liability listed on the Contract Registration Page. Once the Limit of Liability has been reached, our obligations under this Contract will be considered fulfilled and contract terminated.

We shall not be liable beyond the actual replacement cost of the Covered Equipment at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated on the basis of replacement cost of property similar in kind to the Covered Equipment, and immediately preceding the time of, such loss or damage, but in no event will exceed the limit of liability for the specified item.

10. Other Coverage

All Claims payable under this Contract will be in excess of, and will not contribute with, any other available service agreements or insurance unless such other agreement or insurance names and is specifically in excess of, this Contract. In such case, this Contract will pay the pro rata share of any loss as determined by the ratio of the limits of this Contract to the total limits of all other available service agreements and insurance. This Contract will not be subject to the terms and conditions of any other agreement or insurance policy.

11. Assignment

This Contract is not assignable or transferable by You or by operation of law to any third party without Our written consent.

12. Term

The term of this Contract is set forth on the Registration Page attached hereto.

13. Termination

ET may not cancel this Contract except for non-payment, misrepresentation, or fraud on the part of the purchaser.

In the case of cancellation for misrepresentation or fraud on the part of the purchaser, We reserve the right to cancel this Contract immediately upon giving written notice to the purchaser. Such notice will include a summary of the evidence upon which the allegation is based. Our designee or We will document the evidence of suspected fraudulent activity and maintain the information on file. You will have the right to rebut the allegation and both parties may seek arbitration to resolve the dispute. Neither party surrenders its right to seek applicable remedies at law for compensation of damages.

You may cancel this Contract at any time by returning it via certified mail to Us stating when thereafter, such cancellation will be effective. If this Extended Service Contract is cancelled by You within twenty (20) days of the effective date, and no claims have been paid by us, You will receive a full refund of all payments made. Cancellation by You after the Extended Service Contract has been in effect for greater than twenty (20) days shall entitle You to a pro rata return of all fees paid less any claims paid, except where prohibited by law.

14. Cooperation and Subrogation

When a Covered Event occurs, You will provide Us with all information, assistance and cooperation that We reasonably request, and will do nothing to prejudice Our position or negatively affect potential or actual rights of recovery. In the event of payment, We shall be subrogated to all of Your rights of recovery, and You shall execute all papers and instruments to enable Us to effectively pursue and enforce such rights and to bring suit in Your name.

15. Access

ET and designated service providers shall be provided full access to all Covered Equipment within 15 minutes after the service provider's technician arrives on site. You will be charged by the service provider for any excess wait time at the service provider's regular hourly service rate. You shall provide adequate working space, storage space, and facilities, including, without limitation, heat, light, ventilation, electric current, and outlets. All such facilities shall be provided at no charge and be located within a reasonable distance from the equipment to be serviced.

16. Examination of Records

We may examine your records as they relate to this Contract at any time during the contract period and up to three years afterward.

17. Arbitration

Any controversy or claim arising out of or relating to this Contract, or breach thereof, will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereon. The parties specifically agree to the result of binding arbitration.

18. Governing Law

Except where prohibited by applicable law, this Contract will be governed and construed in accordance with the laws of the State of Oklahoma.

19. State Variations

Certain states have specific conditions with regard to this Contract; the conditions listed below in this section apply in the states indicated. If this Contract is purchased by a company within one of the following states: Arkansas, Kansas, Maine, Maryland, Michigan, Minnesota, Missouri, New Jersey, and Pennsylvania, the Contract is between you and Marathon Financial Insurance. In all cases, Kemper Cost Management is the administrator of this Contract.

20. CONNECTICUT PROVISIONS

If You purchased this Contract in Connecticut, You may pursue arbitration to settle disputes between You and the provider of this Contract. You may mail Your complaint to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, Connecticut 06142-0816, Attention: Consumer Affairs. The written complaint must describe the dispute, identify the price of the Product and cost of repair, and include a copy of this Contract. The term of this Contract will be automatically extended for the period during which the Product is in the custody of a service center for repair.

21. GEORGIA PROVISIONS

Notice of such cancellation will be in writing and given at least 30 days prior to cancellation. Cancellation will comply with Section 33-24-44 of the Code of Georgia. Claims paid shall not be deducted from any refund owed as a result of cancellation by Us. In the event of cancellation by You, any refund owed shall be determined in accordance with applicable customary short-rate tables.

22. HAWAII PROVISIONS

If no claim has been made under this Contract, You may return this Contract within thirty (30) days of the date the Contract was mailed to You, or within twenty (20) days of delivery if the Contract was delivered to You at the time of sale, whichever is less. In such a case, this Contract will be null and void and We will refund You the full amount of the purchase price of this Contract. This right to void the Contract is not transferable and applies only to the original Contract purchaser. If You cancel this Contract otherwise, You will be provided a pro rata refund less an administrative fee of twenty-five dollars (\$25.00). If We cancel this Contract, You will be refunded 100% of the unearned pro rata purchase price of this Contract. A ten percent (10%) penalty per month will be added to a refund that is not paid within forty-five (45) days after return of the Contract to Us.

23. NEW YORK PROVISIONS

If no claim has been made under this Contract, You may return this Contract within twenty (20) days of the date the Contract was mailed to You, or within ten (10) days of delivery if the Contract was delivered to You

at the time of sale, whichever is less. In such a case, this Contract will be null and void and We will refund You the full amount of the purchase price of this Contract. This right to void the Contract is not transferable and applies only to the original Contract purchaser. If You cancel this Contract otherwise, You will be provided a pro rata refund less an administrative fee of twenty-five dollars (\$25.00). If We cancel this Contract, You will be refunded 100% of the unearned pro rata purchase price of this Contract. A ten percent (10%) penalty per month will be added to a refund that is not paid within thirty (30) days after return of the Contract to Us.

24. UTAH PROVISIONS

Coverage afforded under this Contract is not guaranteed by the Utah Property and Casualty Guaranty Association. No cancellation of this Contract shall become effective, unless We provide You with notice of such cancellation at least 30 days prior to the effective date of cancellation, except for cancellation for non-payment, in which event We shall provide at least 10 days notice prior to the effective date and which notice shall state the reason for cancellation. This Contract is renewable. To exclude coverage under this Contract for pre-existing conditions, such conditions must be known prior to or at the time of purchase of this Contract.

Exhibit A

Parts for which Labor/Service is not Covered

Exhibit A for Altera and Forte Clean Touch Extended Service Contract And Limited Warranty Document

Parts for which Labor/Service is NOT COVERED.

The following spa components are simple to replace and do not require a service technician. Therefore, though the part is covered under the guidelines of the warranty agreement, payment to a service technician for labor is not.

Altera and Forte Clean Touch
Body Panels
Clean Touch Impeller
Clean Touch Impeller Cover
Clean Touch Impeller Housing
Clean Touch Sensors
Cushion & Arm pads
Faucet Cartridge
Leveling feet
On/Off / Drain Button
PDP pump
Remotes
Sprayer
Water and drain hoses