

WaterCar

Purchase Agreement

Shipping-

All sales from WaterCar are made FOB Fountain Valley California. While we are happy to assist in arranging shipping, customer is responsible for all freight and shipping charges. Any and all disputes are governed by the laws of the State of California.

Damages-

WaterCar is not responsible for freight damages. Report all damage incidents to the shipping company.

Payment-

Orders are scheduled for production with a \$10,000 deposit. Thirty days prior to scheduled production start date an additional 50% of the purchase price is due with the balance to be paid upon delivery. Credit card charges are subject to a 2% service charge.

Deposit Refunds-

Deposit refunds are subject to a \$1000 cancellation fee. All payments become non-refundable once production begins.

Disclaimer of Warranty-

Except as may be specified in writing, WaterCar makes no warranties of any kind, expressed or implied, relating to any products it offers for sale. Moreover, it is expressly understood that unless a statement, in writing, is specifically identified as a warranty, any information or statements contained in any sales literature, catalog, brochure, or agreement are not express warranties and do not form a part of the basis of the transaction, but are merely Watercar's opinion or commendation of its products. **THERE IS NO EXPRESS WARRANTY AS TO ANY OF WATERCAR'S PRODUCTS AND WATERCAR MAKES NO WARRANTY AGAINST BLATANT DEFECTS NOR MAKES ANY WARRANTY OF MERCHANTABILITY OF THE GOODS OR OF THE FITNESS OF THE GOODS FOR ANY PARTICULAR PURPOSE.**

While WaterCar products are thoroughly tested, WaterCar cannot control the operation, maintenance, or in some cases final assembly of these products once they have been purchased. Before attempting any installation or assembly, the purchaser should completely review all drawings and instruction sheets accompanying the product to determine the suitability of the product for the intended use, the time, and level of skill necessary for correct installation or assembly. The products offered for sale are custom built components and not intended for use on public highways or to be operated by inexperienced boat or automobile drivers. Prior to each use of these vehicles a thorough inspection of the mechanical components is highly recommended.

____ Buyers Initials

WaterCar does not make any warranty, expressed or implied, or other representation about the use of any of its products under specific applications. WaterCar products are expressly sold for custom vehicle building, boating, and off road use and are not intended to be used in conventional passenger or other legal highway applications.

Purchaser expressly ASSUMES THE RISK of all personal, property and economic injury, damage or loss, either direct or indirect, arising from the use, misuse, or failure to determine the appropriate use of any WaterCar product.

You, as buyer, hereby agree to indemnify and hold harmless from any and all claims of anyone relating to any warranty regarding WaterCar products, including any and all costs incurred by WaterCar in defending or resolving any such action.

Pricing-

Prices, descriptions and specifications are subject to change without notice. Please review your invoice for accuracy and final prices.

Titling/Registration

WaterCar is a manufacturer of custom amphibious vehicle components. We do not and cannot ensure that the components you purchase will comply with any or all individual state laws for its use. Please know your state laws and regulations before purchasing any components from WaterCar.

Applicable Law

The Federal law of the United States and California, U>S> law apply to this purchase agreement. Of any part of the purchase agreement, or any of its terms and conditions are not valid, all other parts, terms, and conditions will remain valid. WaterCar, as seller, may delay or refrain from enforcing any of its rights under the purchase agreement without losing them.

Agreement to Arbitrate Disputes

Either you, as buyer or WaterCar as seller, may choose to have any dispute arising out of or relating to the Purchase Agreement decided by arbitration and not in court or by jury trial. If a dispute is arbitrated, you, as buyer, will give up your right to participate as a class representative or class member of any class claim you may have against WaterCar including any right to class arbitration or any consolidation of individual arbitrations. Any claim or dispute, whether in contract, tort, statute or otherwise (including the interpretation and scope of this Arbitration Provision, and the arbitrability of the claim or dispute), between you, as buyer, and WaterCar as seller, or its employees, agents, successors, or assigns, which arises out of or relates to the Purchase Agreement or any resulting transaction or relationship including any such relationship with third parties who do not sign the Purchase Agreement) shall, at your, as buyer, or WaterCar's election, be resolved by neutral, binding arbitration and not by a court action. You, as buyer, expressly waive any right you may have to arbitrate a class action. All arbitrations hereunder shall take place before the American Arbitration Association in Southern California. Each party to the arbitration shall be responsible for its own attorney, expert and

other fees, unless awarded by the arbitrator under applicable law. Any award by the arbitrator shall be in writing and will be final and binding on all parties, subject to any limited right to appeal the arbitration award to the Superior Court for the County of Orange, State of California which shall be the sole venue for any such appeal. This Arbitration Provision shall survive any termination or transfer of this agreement. If any part of this Arbitration Provision, other than waivers of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable. If a waiver of class action rights is deemed or found to be unenforceable for any reason in a case in which class action allegations have been made, the remainder of the Arbitration Provision shall be unenforceable.

Signature of Buyer _____ Date _____

Signature of WaterCar Rep _____ Date _____

Agreed to by Buyer:

Name _____

Date _____

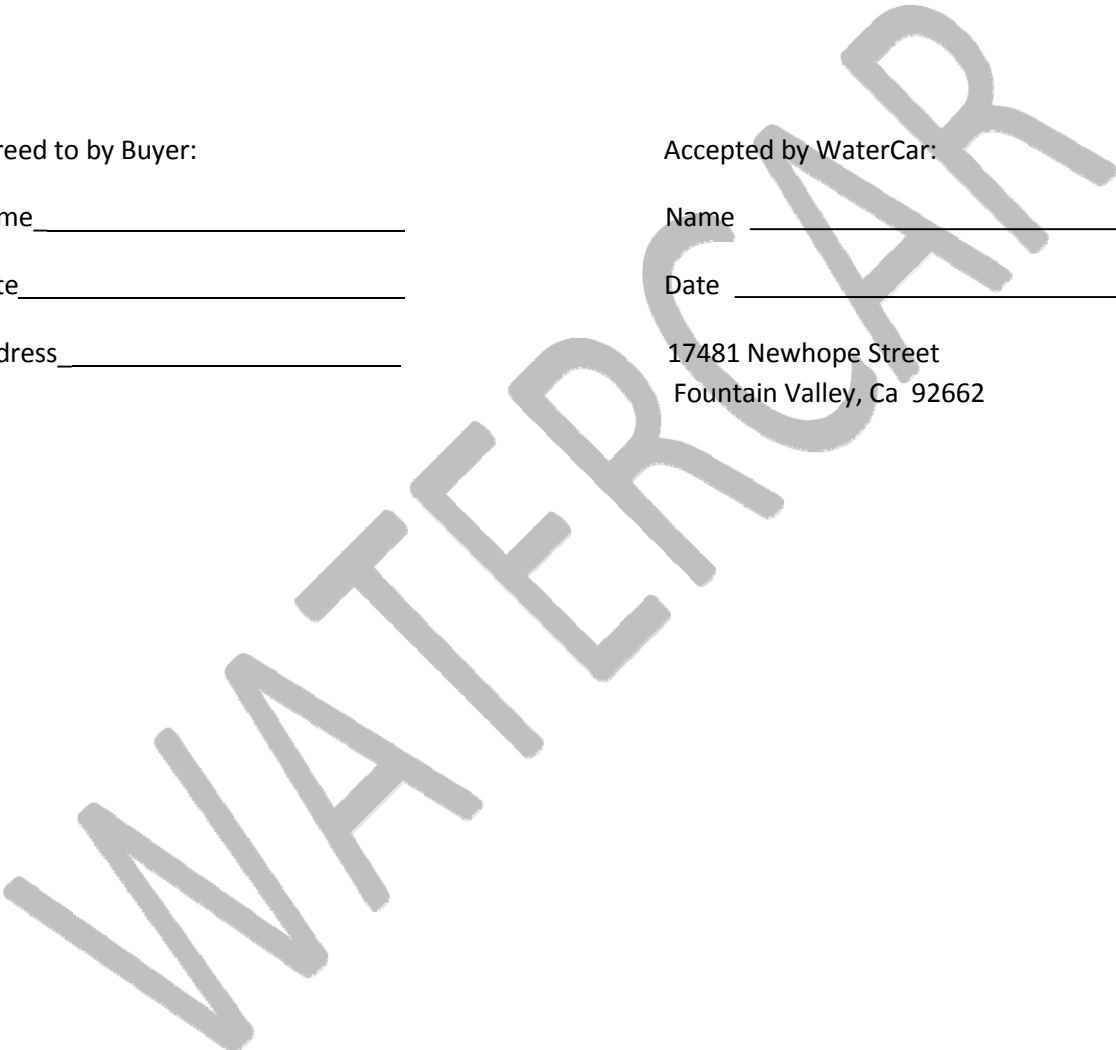
Address _____

Accepted by WaterCar:

Name _____

Date _____

17481 Newhope Street
Fountain Valley, Ca 92662



____ Buyers Initials