

CREDIT APPLICATION TERMS AND CONDITIONS

COMMERCIAL NET 30 ACCOUNT AGREEMENT: In accordance with the Truth in Lending Act, the following terms and conditions apply to Leslie's Commercial Credit Accounts. This is the entire agreement and no oral changes can be made.

GENERAL: In this agreement, the words "we", "us" and "our" refers to Leslie's Poolmart, Inc. The words "you", "yours" and "user" refers to the Business applying for credit. If we accept your application to open an Account, we will extend credit so that you may purchase goods and services with Leslie's Poolmart, Inc.

ACCEPTANCE OF AGREEMENT: All Users are bound by the terms of this Agreement.

PROMISE TO PAY: You agree to pay in U.S. Dollars for all purchases, late fees, over limit fees, return check charges, and other charges or fees under this Agreement incurred by you or any User, plus collection costs, court costs and reasonable attorney fees. All disputes must be received by written notice within 60 days of invoice and prior to payment.

BUSINESS PURPOSES: By signing and submitting the Application and Agreement, you represent that the Business (a) requests the credit line as stated in this application, (b) authorizes the receipt and exchange of credit information on the Business, (c) agrees to be liable for all charges to the Credit account, (d) agrees to be bound by the terms and conditions of the Credit Agreement established with Leslie's Poolmart, and (e) represents that the credit issued on this account will be used for business or commercial purposes, only as defined in the Truth-in-Lending Act and that purchases made on this Account are subject to the Truth-in-Lending Act or to state statutes governing consumer credit purchases. You agree to keep Leslie's Poolmart, Inc. informed of changes to all Account information.

CREDIT LINE: You agree that we may establish a credit line for your use and that your credit purchases, at any one time will not exceed the amount of the credit limit established by us. You will be advised of your credit limit when your Account is approved. You agree that we may terminate or reduce your credit line at any time. Increases to your credit line may only be made after a request for an increase is received and credit worthiness is deemed acceptable.

PAYMENTS: You agree that any payment may be returned to you if your check is (1) not drawn on U.S. Dollars on deposit in the U.S.; (2) missing a signature; (3) drawn with different written and numeric amounts; (4) endorsed with a restrictive endorsement; (5) posted; or (6) not paid on presentment. All payment checks must include the Account No. and Invoices which to apply check amount.

APPLICATION OF PAYMENTS: Payments will be made on invoices as requested by Account holder. Should an account be in default, payment will be applied to all late fees and other charges first, then to the oldest invoices.

FINANCE CHARGES: The Business understands that we review all Accounts monthly and we will consider an account in default if payments are not received within within 30 days of purchase. If any account terms are breached, or if the account is otherwise in default as defined in the Credit Agreement, the Business understands that a penalty will be assessed in the amount equal to 1-1/2% (18% APR) of the balance overdue, and the Business will be responsible for paying any attorney's fees and costs incurred by Leslie's Poolmart in collecting the amount due.

RETURN CHECK FEE: If you make a payment with a check that is dishonored or returned for insufficient funds you agree to pay us an additional fee of \$32 for each such occurrence.

DEFAULT: The following are events of default under this Agreement.

- 1 You do not make payment when due.
- 2 You make any false or misleading statements on your credit application or you fail to supply us with updated financial information regarding the business within 30 days of request.
- 3 You file bankruptcy or a bankruptcy petition is filed against you.
- 4 Any natural person guaranteeing payment of this agreement dies, declares bankruptcy or has a bankruptcy petition filed against them.
- 5 There is an event that occurs which in our reasonable discretion causes the prospect of payment by you to be significantly impaired.
- 6 The goods securing this Agreement are lost or destroyed.
- 7 You breach any other terms of this agreement.

In the event of default, we may demand that the entire unpaid balance be paid immediately. If you are in default and we refer your Account to an attorney and/or collection agency for collection, we may charge you the cost associated with such collection, as applicable by law within the Fair Debt Collections Act. All liabilities of the Business and of the Guarantor shall mature immediately upon the insolvency of the Business, its inability to meet its obligations as they become due, the appointment of a receiver, custodian or trustee for the business, the filing of a voluntary or involuntary petition for relief in bankruptcy, reorganization, or arrangement, the making of an assignment for the benefit of creditor, or the calling of a meeting of creditors by the Business, or if any of the foregoing events shall occur with respect to any Guarantor.

ARBITRATION: Each party agrees to submit any and all disputes concerning this application or concerning the account established in connection with this application, if not resolved between the parties, to binding arbitration under one (1) neutral, independent and impartial arbitrator in accordance with the Commercial Rules of the American Arbitration Associations ("AAA"); provided, however, the arbitrator may not vary, modify or disregard any of the provisions contained in this paragraph. The decision and any award resulting from such arbitration shall be final and binding. The arbitrator is empowered to award attorney's fees to the prevailing party. The arbitration award will be in writing. The parties agree that any decision or award resulting from proceedings in accordance with this paragraph shall have no preclusive effect in any other matter involving third parties. All applicable statutes of limitation and defenses based upon the passage of time will be tolled while the procedures specified in this paragraph are pending. The parties will take such action, if any, required to effectuate such tolling. The arbitration shall be governed by the United States Arbitration Act and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction.

CHANGES IN TERMS: We may change or terminate any terms, conditions, services or features of your Account or this Agreement at any time. Should changes in terms occur, we will communicate these changes by mail prior to the effective date.

LIABILITY FOR USE: You agree that you will keep your Account No. confidential and will contact us immediately should you believe purchases are being made by an unauthorized user. You will continue to keep Leslie's Poolmart, Inc. informed of changes to authorized users. If you do not notify us within 30 days of an receipt of statement on which the information is contained, the statement will be presumed to be correct and all purchases contained on the statement will be presumed to be authorized.

CANCELLATION OF ACCOUNT: We have the right to cancel this Agreement/Account, as it relates to future purchases, at any time, without default. The Business will remain obligated to pay for all purchases made prior to cancellation and any charges associated with these purchases.

COMMERCIAL CREDIT APPLICATION

FAX COMPLETED CREDIT APPLICATION TO 800.537.7838

FOR OFFICE USE ONLY: CAE# _____ Credit Limit \$ _____ Acct # _____ Store # _____

BUSINESS INFORMATION

All Company Types Must Complete this Section

| | | |
|---|-----|-----------|
| Legal Business Name | | DUNS No. |
| Doing Business As: | | |
| Business Ship To Address: (can not be a P.O. Box) | | City |
| State | Zip | Phone No. |
| Authorized Purchasers | | Fax No. |
| | | Email |

BUSINESS CHARACTERISTICS

All Company Types Must Complete this Section

| | | |
|---|------------------------------------|---|
| Requested Credit Line \$ | Tax Payer ID# | SS # (if Sole Proprietorship) |
| Date Business Established: | Net Annual Sales (prior year): | Tax Exempt(must include Certificate) YES / NO |
| Circle One Business Type: Corporation Government Sole Proprietorship Not for Profit LLC Partnership | | |
| Parent or Managing Company | Existing Parent/Managing Account # | National Account # |
| Street Address | City | State Zip |

BILLING INFORMATION (IF DIFFERENT THAN ABOVE)

| | | |
|-----------------|-----------|----------------------------|
| Billing Address | City | State Zip |
| Payment Contact | Phone No. | PO Necessary YES / NO |

BANK AND TRADE REFERENCES

All Company Types Must Complete this Section

| | | | |
|--------------------|-----------|-------|-------------------|
| Business Bank Name | City | State | Contact Phone No. |
| Checking # | Savings # | | Business Loan # |
| Trade Reference | City | State | Contact/Phone No. |
| Trade Reference | City | State | Contact/Phone No. |

SIGNATURE REQUIRED BELOW

By signing below you: (1) submit an Application; (2) represent that you are authorized to execute the Application on behalf of the business entity; (3) represent that the business entity has authorized the execution of this Application; (4) authorize us to check credit on the business and owners, if necessary; (5) represent that the information provided in this Application is true and correct and understand that any false information may result in cancellation of the account; and (6) agree to be bound by the terms and conditions of the Business Account Agreement and Disclosure Statement (Agreement), set forth on both sides of this combined Application and Agreement. No Application will be processed without the signature of an authorized person on behalf of the business entity. You have read and received a copy of this agreement before making any purchase under this Account. Terms are attached.

Authorized Signature _____ Print Name _____ Title _____ Date _____