

Terms & Conditions of Purchase

1. **THE PURCHASE ORDER** expires on the date set forth in the Purchase Order. If all of the merchandise has not been delivered, assembled, installed and accepted by Lessee within this date, Buyer may, at its option, terminate the Purchase Order and all obligations to Vendor, and recover any deposit(s) made to Vendor plus interest at 18% APR.
2. **NO CHANGES AUTHORIZED.** The Purchase Order must be accepted as written. Any increase in price, change in quantities or quality of merchandise ordered or any other change of terms and conditions of the Purchase Order shall not be binding on the Buyer unless such change is agreed to in writing. Delivery must be in accordance with the conditions outlined in the Purchase Order, and unless otherwise specifically noted therein, Vendor is to deliver the merchandise f.o.b. common carrier, destined as therein indicated. No charges for crating, boxing, packing or drayage, or for unloading, assembling or installing any merchandise will be allowed or payable unless specified in the Purchase Order. If the Buyer has not indicated any preference for the method of shipment, then the merchandise shall be shipped in the cheapest way, and the Buyer may charge back transportation charges in excess of the cheapest rate of shipment.
3. **INSPECTION AND REJECTION.** All merchandise shall be received subject to Buyer's and/or Lessee's inspection and rejection, either before or after delivery thereof. The place and time of inspection shall be determined by Buyer. Merchandise, which is defective or otherwise not in accordance with the Purchase Order, may be returned for credit and Vendor shall assume all transportation and handling charges in connection therewith. Rejected merchandise shall not be replaced except upon Buyer's specific instructions in writing to that effect. If Lessee rejects or refuses to accept any merchandise pursuant to the Purchase Order, Buyer shall be relieved of any liability to Vendor under the Purchase Order as to such merchandise. Vendor shall immediately refund any deposits received from Buyer plus interest at 18% APR, and all obligations of Buyer hereunder as to such merchandise shall, upon such rejection or refusal, be deemed those of Lessee, with the same force and effect as if Lessee, instead of Buyer, had placed the Purchase Order as to such merchandise, and Vendor in such event, shall look only to Lessee with respect to any liability or obligation hereunder.
4. **RISK OF LOSS.** All risk of loss, damage, theft or destruction, partial or complete, to the merchandise, incurred or occasioned by any cause, circumstance or event of whatever nature, will be borne by Vendor until physical delivery of the merchandise to Lessee and Lessee's written acceptance thereof, and will be borne by Vendor on all rejected merchandise.
5. **DELIVERY TO BE MADE TO LESSEE.** The person, firm or corporation to which the merchandise covered by the Purchase Order is to be delivered has leased said merchandise from the Buyer, and is herein referred to as "Lessee." Lessee is authorized on behalf of the Buyer to receive delivery of such merchandise, to inspect, and to reject same, or accept same SUBJECT TO: (a) a signed delivery and acceptance receipt, in form supplied by or acceptable to Buyer, signed by all parties designated by Buyer; (b) a verbal acknowledgment to Buyer by Lessee that the merchandise has been delivered and accepted; and (c) subject to all Lease documents covering said merchandise being fully and correctly executed by Lessee as prescribed by Buyer, together with the receipt of all advance rentals by Buyer, from Lessee, as stipulated by subject Lease Rental Agreement. In the case of multiple (more than one) suppliers of merchandise covered by said Lease Agreement, it is understood and mutually agreed by Lessee, Buyer and all Vendors that payment of invoices to all Vendors shall not be made until the completion of merchandise delivery by all Vendors involved in said Lease Rental Agreement.
6. **ASSIGNMENT.** Vendor will not, without Buyer's prior written consent, assign the Purchase Order by its own act or by operation of law or otherwise and any such attempted assignment will be void. In the event Vendor attempts to assign the Purchase Order, Buyer may, but will not be obligated to do so, cancel the Purchase Order and all of Buyer's obligations hereunder. Buyer may, without Vendor's consent, assign the Purchase Order or any interest herein.
7. **CANCELLATION.** The Purchase Order and all of Buyer's obligations hereunder may be canceled (at any time or times hereafter) by Buyer, at its election, in the event that: (i) Lessee (or the person or persons signing on behalf of Lessee) is not authorized to enter into with Buyer (as Lessor) that certain Lease Agreement pertaining to the merchandise; or (ii) Vendor, or any of its agents, employees, officers or directors, makes any misrepresentations to Buyer or Lessee

relative to the equipment or the terms of the Purchase Order; or (iii) Lessee does not pay to Buyer, when due and payable, the advance rental payment(s) to be paid under the aforesaid Lease Agreement; or (iv) all Lease documents have not been fully and properly executed by Lessee as prescribed by Buyer or have not been returned to Buyer; or (v) Lessee does not have adequate insurance coverage; or (vi) Lessee does not (or is unable to) accept delivery of the merchandise or Lessee rejects the merchandise; or (vii) Vendor does not deliver the merchandise pursuant to the terms outlined in the Purchase Order; or (viii) Lessee's financial or credit situation has changed such that Buyer's risk as Lessor has materially changed and/or Buyer as Lessor deems itself insecure.

8. **INDEMNITY.** Vendor agrees to indemnify, protect and hold harmless Buyer, its successors or assigns and the Lessee and its successors and assigns against all claims, demand, damages, costs or expenses (including attorney's fees) arising out of the manufacture and/or delivery of the merchandise, and for actual or alleged infringements of any patent covering any merchandise hereby ordered or the use thereof.
9. **FAIR LABOR ASSURANCE.** Vendor warrants and represents that the merchandise ordered hereby has been produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.
10. **WARRANTIES BY VENDOR.** Vendor represents and warrants that it is the owner of and has good title to the merchandise and has not conveyed any interest therein to Lessee; that upon acceptance of the merchandise by Lessee, absolute title thereto shall pass to Buyer free and clear of all liens, claims, security interests, and encumbrances of any nature whatsoever; that the equipment and/or services that are the subject of the Purchase Order are being sold in the Vendor's ordinary course of business; that the merchandise will conform to any specifications provided to or by Lessee or Buyer; that the merchandise will be fit and is sufficient for the purpose intended; and that the merchandise will be merchantable, of good quality and free from defects in material and workmanship. If the Lease Application and Lease Agreement which gives rise to the Purchase Order were obtained by Vendor, Vendor represents and warrants that such documents are genuine and have been validly executed by Lessee, and Vendor acknowledges that Vendor acted on its own behalf or on behalf of Lessee and not on behalf of Buyer. Vendor agrees to honor and comply with all of its warranties, express and implied, as to the merchandise and any services to be provided in connection therewith, made to Lessee and/or Buyer. No merchandise, parts, mechanisms or devices made according to Buyer's or Lessee's designs and specifications will be sold by Vendor to any other person. The foregoing warranties are in addition to and not in lieu of any and all warranties, express or implied.
11. **EXCUSABLE DELAYS.** Vendor will not be responsible for delays in delivery if occasioned by an unforeseeable cause beyond the control and without the fault or negligence of the Vendor, and Buyer shall not be responsible for failure to receive or take delivery if occasioned by any like cause on its or Lessee's part.
12. **VENDOR REPRESENTS AND WARRANTS** that no payments or other consideration have been or will be paid to or received by Vendor or Lessee or any other person as a direct or indirect result of Buyer's purchase of the merchandise unless so indicated herein.
13. **VENDOR WILL BE PAID WITHIN THIRTY (30) WORKING DAYS OF THE RECEIPT OF ALL PROPERLY EXECUTED LEASE DOCUMENTATION AND UPON LESSEE'S WRITTEN AND VERBAL ACCEPTANCE OF THE MERCHANDISE.**
14. **THE VENUE OF ANY COURT ACTION ARISING FROM THE PURCHASE ORDER SHALL BE THE LOS ANGELES JUDICIAL DISTRICT. BUYER'S ATTORNEY FEES AND COSTS OF ENFORCEMENT SHALL BE REIMBURSED WHETHER OR NOT ANY LEGAL PROCEEDING IS COMMENCED.**
15. **SUBSEQUENT EVENTS.** Any events that occur that result in increased charge(s) to Buyer or Buyer's account resulting from our ownership of the merchandise, such as by example but not limited to, technical support, returned item charges, equipment additions or substitutions, etcetera, shall be billed and collected directly from the Lessee indicated herein. Invoices sent to Buyer for such charges will be forwarded to Lessee but it will be the Vendor's responsibility to collect on these charges. Vendor will indemnify Buyer against any damage to Buyer's credit resulting from these charges being incorrectly billed to Buyer.