

TERMS AND CONDITIONS

R1 SOURCE, INC. – dba – WORLD EQUIPMENT SOURCE (“WES”)
SELLS ITS GOODS AND SERVICES IN ACCORDANCE WITH
THE TERMS AND CONDITIONS REFLECTED HEREUNDER
FOR WHICH ARE INCORPORATED INTO ANY QUOTATION, PROPOSAL, SALE OR PURCHASE

1. TAXES Prices are exclusive of all sales, use and like taxes. Any such tax as WES may be required to collect or pay upon the sale or delivery of Goods and Services shall be paid by Buyer to WES upon receipt of invoice.

2. DELIVERY Delivery /is F.O.B. shipping point. Accordingly, title and risk of loss shall pass to Buyer upon delivery of the Goods and Services by WES to the carrier. Unless otherwise directed, WES will ship collect by the most appropriate method, but by doing so shall not thereby assume any liability in connection with the shipment. If requested by Buyer, transportation and in-transit insurance charges will be prepaid and will be added to the invoice as a separate line item.

3. INSTALLATION, ACCEPTANCE, PAYMENT If the purchase order includes installation, WES will install the Goods in a single designated location, provided Buyer (i) promptly notifies WES of the receipt of the Goods, (ii) has prepared a suitable installation site in accordance with WES's instructions, and (iii) unpacks and places the Goods at the installation site. Acceptance shall be according to WES' standard installation rates and procedure and shall be deemed to have occurred no later than twenty-one (21) days after shipment unless Buyer notifies WES to the contrary. **Full payment of all invoices will become due and payable to WES net thirty (30) days from date of invoice, which will coincide with date of shipment to carrier/mail service.** No payments may be withheld by the Buyer for any reason nor may any counterclaim of the Buyer be set off against any payment due. Interest at 1.75% per month or the maximum allowed by law, if otherwise, will be charged on accounts past due over 30 days. Until such time as final payment has been made, all Goods and Services shall remain personal property and will not be affixed to realty. Buyer will not suffer or permit attachment of any lien or encumbrance of any kind against such Goods and Services until final payment has been made. WES reserves the right at any time when, in its opinion, Buyer's financial condition or other conditions warrant it, to revoke, alter or suspend any credit already extended, demand full payment on any outstanding obligations, or require full or partial payments in advance of any shipment or other performance, or to otherwise defer or decline to make shipments under this Agreement and/or terminate this Agreement without WES incurring any liability whatsoever to Buyer.

4. WARRANTY WES warrants that Goods and Services are free from defects in material and workmanship and, when properly used, will perform in accordance with the applicable manufacturer's published specifications. If Goods and Services are found not to meet this standard it will be repaired or, at the option of WES, replaced. Any claim from Buyer under this warranty must be instituted and receipt acknowledged by WES within 30 days from shipment date to have any validity under this clause. There is no active warranty when a customer is not in financial good standing with WES.

ALTERATION OF THE PRODUCTS OR SERVICES PROVIDED BY WES, NOT APPROVED BY WES VOIDS ANY EXPRESS OR IMPLIED WARRANTY.

5. SPECIFICATIONS WES reserves the right to make changes in the specifications of Goods and Services, in the event of an unforeseen occurrence, provided the changes do not diminish the performance of the Goods and Services, as specified in the applicable WES Quotation.

6. FORCE MAJEURE WES shall not be liable for any damages or delay in performance due to causes beyond WES's reasonable control.

7. LIMITATIONS OF LIABILITY

A. WES's LIABILITY ARISING OUT OF THE SALE OR SUPPLYING OF, OR ANY FAILURE OR DELAY IN DELIVERING, THE PRODUCTS OR THEIR USE OR DISPOSITION, WHETHER BASED UPON WARRANTY, CONTRACT, TORT OR OTHERWISE, SHALL NOT FOR ANY REASONS EXCEED THE AGGREGATE PURCHASE PRICE PAID BY BUYER FOR THE PRODUCTS.

B. IN NO EVENT WILL WES BE LIABLE FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, MULTIPLE OR OTHER INDIRECT PENALTIES OR DAMAGES, OR FOR LOST PROFITS, OR PENALTIES AND/OR DAMAGES, ARISING OUT OF THE OPERATION OF, OR FOR DELAY IN DELIVERY OR FAILURE TO GIVE NOTICE OF DELAY OF, THE PRODUCTS, EVEN IF WES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. EXPORT Buyer warrants that it will not export either directly or indirectly, any Goods and Services in violation of applicable export regulations.

9. WAIVER The failure of either party to exercise any right or remedy provided for herein shall not be deemed a waiver of that right or any other rights or remedies available hereunder.

10. ADDITIONAL TERMS

A. Governing Law, Assignment, Severability, and Modification: Buyer's purchase order is subject to these terms and conditions. These Terms & Conditions shall be interpreted with the commonly understood meaning of the words and phrases hereof in the United States of America, and it and the performance of the parties hereto shall be construed and governed according to, the laws of the State of California applicable to contracts made and to be fully performed therein. If any provision of this contract is determined to be invalid or unenforceable, the remaining provisions of this contract shall not be affected thereby and shall be binding upon the parties hereto, and shall be enforceable, as though said invalid or unenforceable provision were not contained herein. No provision of this contract may be changed, except by an amendment signed by the parties hereto. In the event of any dispute between the parties to this agreement, the parties explicitly agree that the forum for the dispute shall be the Superior Court of the State of California, County of San Diego, but only after a mediation between the parties and their legal counsel has occurred before a retired judge of the Superior Court, with commercial law experience, to occur in the County of San Diego, State of California, prior to any lawsuit hereunder.

B. Judicial Proceedings & Equitable Remedies: Notwithstanding anything contained in this Section 10 to the contrary, each party shall have the right to institute judicial proceedings against the other party or anyone acting by, through or under such other party, in order to enforce the instituting party's rights hereunder through reformation of contract, specific performance, injunction or similar equitable relief.

C. Relationship of the Parties: These parties are not an express or implied partnership, joint venture or have an agency relationship of any kind.

I/We understand and accept the terms and conditions set forth above.

SIGNED:

Print name, title, and full company name

date