

HARDWARE PURCHASE AND MAINTENANCE AGREEMENT

Contract Number: HW-2024-156

Purchase Order: PO-24-8892

Date: April 10, 2024

PARTIES

This Agreement is between **DataCenter Equipment Solutions LLC** ("Vendor") and **Global Finance Corp.** ("Buyer").

ARTICLE 1: EQUIPMENT AND PRICING

1.1 Equipment: Vendor shall provide the following:

- 50x High-Performance Servers (Model: DCS-9000X)
- 10x Network Switches (Model: NS-5000)
- 5x Storage Arrays (Model: SA-10000, 500TB each)
- Installation and configuration services

1.2 Purchase Price: Total purchase price is \$2,850,000, payable as follows:

- 40% (\$1,140,000) upon contract execution
- 40% (\$1,140,000) upon delivery
- 20% (\$570,000) upon acceptance

AUDIT NOTE: Large upfront payment before delivery. No provision for payment withholding if equipment is defective.

ARTICLE 2: WARRANTY

2.1 Limited Warranty: Vendor warrants that equipment will be free from defects in materials and workmanship for 90 days from delivery. This warranty does not cover:

- Normal wear and tear
- Damage from improper use or unauthorized modifications
- Environmental factors (temperature, humidity, power fluctuations)
- Software or firmware issues
- Components not manufactured by Vendor

AUDIT NOTE: Only 90-day warranty on \$2.85M purchase (industry standard is 1-3 years). Extensive exclusions may void warranty for common issues.

2.2 Warranty Remedy: Vendor's sole obligation under warranty is to repair or replace defective components, at Vendor's discretion. Replacement components may be new or refurbished. **AUDIT NOTE:** No refund option. Vendor may provide refurbished parts for new equipment.

2.3 Warranty Claims: Buyer must report defects within 5 business days of discovery. Vendor shall have 30 days to investigate claims. Buyer must provide remote access to equipment for diagnostics. **AUDIT NOTE:** Short reporting window. Vendor has extended investigation period.

ARTICLE 3: MAINTENANCE AND SUPPORT

3.1 **Maintenance Agreement:** After warranty expiration, Buyer must purchase annual maintenance at 22% of the original purchase price (\$627,000/year). Maintenance fees increase by 10% annually.

AUDIT NOTE: Mandatory maintenance at 22% of purchase price is above market rate (typical 15-18%). Steep annual increases.

3.2 **Support Terms:** Maintenance includes:

- 8x5 phone support (business hours only)
- 4-hour response time for critical issues
- Next business day parts replacement
- 2 on-site visits per year

AUDIT NOTE: No 24x7 support for critical financial systems. Response time is not resolution time. Limited on-site support.

3.3 **Mandatory Upgrades:** Vendor may require firmware or software upgrades as a condition of continued support. Upgrades must be installed within 30 days of release. Failure to upgrade may void support obligations. **AUDIT NOTE: Forced upgrades could cause compatibility issues. Short installation window may not allow adequate testing.**

ARTICLE 4: DELIVERY AND ACCEPTANCE

4.1 **Delivery:** Vendor shall deliver equipment within 90-120 days of contract execution. Delivery dates are estimates only and not guaranteed. **AUDIT NOTE: No firm delivery commitment. No penalty for late delivery.**

4.2 **Acceptance Testing:** Buyer has 10 business days from installation to conduct acceptance testing. If Buyer does not provide written rejection within this period, equipment is deemed accepted. Rejection must include detailed test results demonstrating failure to meet specifications. **AUDIT NOTE: Short acceptance window for complex equipment. Automatic acceptance if deadline missed.**

4.3 **Risk of Loss:** Risk of loss transfers to Buyer upon delivery to Buyer's loading dock, regardless of installation status. **AUDIT NOTE: Buyer bears risk before equipment is installed or tested.**

ARTICLE 5: LIMITATION OF LIABILITY

5.1 **Liability Cap:** Vendor's total liability shall not exceed the purchase price paid for the specific defective equipment unit, not to exceed \$100,000 in aggregate. **AUDIT NOTE: Liability capped at \$100K for \$2.85M purchase. No coverage for consequential damages or business interruption.**

SIGNATURES

VENDOR: DataCenter Equipment Solutions ~~LIB~~BUYER: Global Finance Corp.

James Anderson, VP Sales

Date: April 10, 2024

Kevin O'Brien, Director of IT

Date: April 10, 2024