

## Neopost USA Annual Maintenance Program WSCA-NASPO – Terms

### NEOPOST USA ANNUAL MAINTENANCE TERMS

This document Shall become a material part of your contract with Neopost and it provides the details regarding Neopost's Maintenance Program.

Neopost Inc. agrees to provide and the Customer agrees to accept maintenance service on the equipment listed, at the annual charges as indicated in the attached Product Catalog in accordance with the following terms and conditions:

- 2 hour response time to all written or oral notices of a service requirement due to an equipment breakdown.
- A Service Technician shall be on site within 24 hours
- Replacement part shall be received within 24 hours
- Any and all technical support is included in maintenance agreement
- All return service calls and onsite responses shall be made during Participating Entity business hours (7:00AM – 6:00PM) unless otherwise, mutually agreed to in writing beforehand by the Contractor and the Participating Entity. The contractor shall charge a rate not to exceed their Time and Materials- outside business hours, weekends, and holidays rate as proposed in the Price and Pricing spreadsheet for the applicable category. For example; If a Participating Entity need an installation for production equipment to begin at 5:00 AM, The installation should take a total of six hours the Participating Entity and Contractor would agree to in writing before any work has begun to pay a rate not exceeding the one supplied in the Price and Pricing spreadsheet for Time and Materials outside of business hours for the hours for production equipment for the hours of 5:00 am to 7:00 AM and then regular hourly rates for the work from 7:00 AM to 11:00 AM. If the installation only took a total of five hours the Contractor shall only charge for the actual hours worked. If additional time is needed there shall be a mutually agreed upon amount, in writing, before the additional work is performed.
- All parts that require maintenance by a service technician are to be included and considered part of the yearly service maintenance plan, filed/defective parts shall be replaced at no additional charge to the Participating Entity.
- Routine consumable supplies shall be billed separately from service maintenance payments.
- If the equipment includes licensed software, the Contractor shall provide software support.
- All payments for maintenance service shall be invoiced by and made to the Contractor.
- Any Purchasing Entities that require 4 hour on –site response time as well as a 24hr/7 days per week maintenance agreement will be negotiated during the PA process.

### COVERED UNDER MAINTENANCE AGREEMENT

Maintenance services, as described herein, will be provided for the Products at the Delivery Location. Neopost agrees to provide the parts and labor associated with the ordinary maintenance of the Products as required due to normal wear and tear ("Maintenance Services"). Supplies (i.e. ink, roll tape, labels, etc.) are not included in Maintenance Services. Maintenance Services may also include preventative maintenance and inspections from time to time, as determined by Neopost. Neopost may, at its option, designate a dealer/reseller to provide Maintenance Services. Neopost, in its sole discretion, may service the Products by replacing it with new, or like-new Products; provided that such replacement products are substantially similar to the Products. Neopost will offer loaner equipment of equal or greater value to any agency in which the equipment is rendered inoperable for a total time exceeding two business days.

### FEES AND WHEN THEY ARE DUE:

- **For Purchased Products:**  
Customer shall commence paying for the Maintenance Services on purchased Products 12 months after delivery of the Products. All fees for Maintenance Services ("Maintenance Fees") on purchased Products are invoiced annually in advance, if purchasing entities select to enter an annual maintenance contract rather than time and materials option.
- **For Leased Products:**  
If the Products are being leased from MailFinance Inc. and the Maintenance Fee has been included in the lease payment amount ("Leased Products"), then Maintenance Services will be provided at no extra cost, except for the Additional Charges (as defined below), for the Initial Term of the lease. Customer shall

commence paying for the Maintenance Services on Leased Products, where Maintenance Fees are included in the lease payment, 12 months after lease commences. Or the 12 month warranty may be prorated over the full lease term to create an even payment stream.

- **Zoning Fees:**
  - Zone 1 – Maintenance for equipment located within a 50 mile radius of the local servicing location will be charged at the prices listed within the WSCA-NASPO Contract and will not incur any additional charges.
  - Zone 2 – Maintenance for equipment located outside of a 50 mile radius but inside of a 150 mile radius of the local service location will incur a 15% uplift to the maintenance prices listed within the WSCA-NASPO Contract.
  - Zone 3 – Maintenance for equipment located outside of a 150 mile radius will incur a 25% uplift in the maintenance prices listed within the WSCA-NASPO Contract.

All payments for Maintenance Services are nonrefundable. Neopost may adjust the Maintenance Fees for excluded services at the end of the Initial Maintenance Term **(as defined below)** and any renewal term.

### **TERM OF THE MAINTENANCE SERVICES**

- **For Purchased Products:**

Unless otherwise specified in the Agreement, the initial term of these Maintenance Services is one (1) year (the "Initial Maintenance Term"). Unless Customer provides ninety (90) days written notice to Neopost prior to the end of the Initial Maintenance Term, (or any renewal term), the Maintenance Services shall automatically renew for an additional one (1) year.
- **For Leased Products:**

The term of the Maintenance Services for Leased Products will be equal to the term of the lease as specified in the Agreement.

### **REQUEST FOR MAINTENANCE SERVICE**

In order to receive Maintenance Services on the Products, the agency must notify Neopost's National Service Dispatch Center of a need for service. Neopost may, at its sole discretion, attempt to resolve Products performance issues over the telephone. If Neopost determines that on-site service is necessary, Neopost shall provide such on-site service in accordance with the terms set forth herein.

### **NOT COVERED BY THE NEOPOST MAINTENANCE PROGRAM**

Maintenance Services do not include:

- De-installation of the Products, or moving the Products (however these services are available for an additional fee);
- Maintenance or repairs made necessary by the failure of Customer to maintain or use the Products in conformance with Neopost's specifications;
- Maintenance or repairs made necessary by changes in the design of the Products made by Customer or mechanical, electrical, or electronic interconnections, or the attachment of other parts or components to the Products by Customer;
- Maintenance or repairs made necessary by accidents
- Maintenance or repairs made necessary by the negligence of Customer;
- Maintenance or repairs made necessary by the unauthorized maintenance by Customer or any third party other than Neopost or its authorized service representatives;
- Damage or repair necessitated by Customer relocation of the Products;
- Maintenance or repairs made necessary because Customer has exceeded the published performance specifications or recommended monthly volume limits for the Products;
- Maintenance or repairs made necessary by Customer's use of parts, consumables, or other supplies that do not comply with Neopost's specifications;

- Recovery of any customer data stored within Neopost Products or the maintaining of any back up data;
- Rebuilding or major overhauls which Neopost determines are necessary ("Reconditioning")

**Other Fees:**

In addition to the Maintenance Fees, Customer agrees to pay for: (a) labor, parts, and expenses for maintenance or repair that is part of an Excluded Service (as defined below). All Additional Charges shall be at Neopost's then-current published rates for time and materials.

All of the foregoing are "Excluded Services." Excluded Services also include operator training beyond the initial training provided by Neopost and application configuration and set-up. In the event Customer requests Neopost to perform an Excluded Service, Customer shall pay Neopost its then current hourly rate for those services, as well as Neopost's then-current price for any parts required in connection with such services.

**RESPONSIBILITIES OF THE AGENCY**

**CUSTOMER'S MAINTENANCE OBLIGATIONS:** Customer agrees to maintain the Products in accordance with Neopost's published specifications. Except as specified and approved by Neopost, Customer shall not perform, or permit third parties to perform, maintenance or repair on the Products.

**COPIES OF DATA:** Customer is solely responsible for all data stored on the Products and making copies of all such data prior to Neopost performing Maintenance Services.

**USE OF NEOPOST SUPPLIES:** If the Customer uses other than Neopost supplies, and if such supplies are defective or unacceptable for use in Neopost machines and cause abnormally frequent service calls or service problems, then Neopost may, at its option, assess a surcharge or terminate the Maintenance Services. In this event, the Customer may be offered service on a "Per Call" basis based upon published rates. It is not a condition of this Agreement; however, that the Customer uses only Neopost authorized supplies.

**ENVIRONMENT/ELECTRICAL:** Customer shall provide a suitable environment for Products as specified by the manufacturer. In order to insure optimum performance by the Neopost Products, it is mandatory that specific models be plugged into a dedicated line and that they comply with manufacturer electrical specifications.

**COMPLETE SYSTEM COVERAGE:** All Neopost components (hardware and software) used in a system must be covered under Maintenance Services ("Complete System Coverage"). For example, a customer may not obtain Maintenance Services only for a mailing machine if it is used with a separate scale. In that case, the Customer would also need to purchase Maintenance Services for the scale. If a customer refuses to obtain Complete System Coverage, Neopost may terminate the Maintenance Services on any Product that is otherwise covered by such Maintenance Services.

**ACCESS TO PRODUCTS:** Customer shall allow Neopost full and free access to the Products and the use of necessary data communications facilities and equipment, subject to the approval of authorized purchasing entity's personnel on access to their facilities and equipment, at no charge to Neopost.

**PRODUCT MODIFICATIONS:** Customer shall not cause modifications or interconnections to be made, or accessories, attachments, or features to be added to the Products without Neopost's prior written approval.

**YOU NEED TO KNOW**

**Neopost may terminate the Maintenance Services, upon written notice to Customer, if:**

- **Customer defaults on any payment due under this Agreement;**
- **The Products exceed the maximum monthly or lifetime cycle counts for such Products;**
- **The Products are modified, damaged, altered or serviced by personnel other than the Neopost Authorized Personnel;**
- **Parts, accessories, consumables, supplies, or components not meeting machine specifications are used with the Products;**
- **Customer refuses to obtain Complete System Coverage;**
- **Any services are necessary because Customer has done (or failed to do) something that requires the performance of an Excluded Service;**

- **Customer decides not to proceed with any Reconditioning that is deemed necessary by Neopost. Furthermore, if the Products are being leased, this Agreement shall automatically terminate as to any Products covered by the lease on the date such lease expires or is terminated.**

**POSTAGE METER RENTAL AGREEMENT**

Percentage (%) Discount off MSRP/Catalog = 47.92%. Maintenance is included in rental price.

**1. Postage Meter Rental.** In this Postage Meter Rental Agreement (the “Rental Agreement”), the words “You,” “Your” and “Customer” mean the participating agency that issues a purchase order for a postage meter rental with Us. “We,” “Us” and “Our” mean Neopost USA Inc. You agree to rent from Us the postage meter identified on the purchase order, as well as any other products listed on the purchase order, together with all existing and future accessories, embedded software programs, attachments, replacements, additions and repairs, (the “Postage Meter”) upon the terms stated herein.

**2. Provisions as to Use.** You acknowledge that: (i) as required by United States Postal Service regulations, the Postage Meter(s) is being rented to You and that it is Our property; (ii) the Postage Meter will be surrendered by You upon demand by Us; (iii) You are responsible for the control and use of the Postage Meter; (iv) You will comply with all applicable laws regarding Your use or possession of the Postage Meter; (v) the use of the Postage Meter is subject to the conditions established from time to time by the United States Postal Service; and (vi) the Postage Meter is to be used only for generating an indicia to evidence the prepayment of postage and to account for postal funds. It is a violation of Federal law to misuse or tamper with the Postage Meter and, if You do so, We may terminate this Rental Agreement upon notice to You.

**3. Rental Fee, Payment and Term.** The initial rental term for the Postage Meter is set forth on the purchase order (“Initial Term”). The rental fee for the Initial Term is also set forth on the purchase order. The Initial Term of this Rental Agreement will begin on the date the Postage Meter is installed. You promise to pay to Us the amounts shown on the purchase order in accordance with the payment schedule set forth thereon, plus all other amounts stated on the purchase order or in this Rental Agreement. You shall make all payments to the address indicated on Our invoice within thirty (30) days of the date of Our invoice. The Postage Meter rental fee does not include the cost of consumable supplies. Unless You notify Us in writing at least thirty (30) days before the end of the Initial Term that You intend to return the Postage Meter at the end of the Initial Term, this Rental Agreement will automatically renew for successive periods of one month each at the same payment amount (each a “Renewal Period”). We will not notify You that the Initial Term or any Renewal Term is ending. You may terminate this Rental Agreement at the conclusion of any Renewal Period by giving Us thirty (30) days prior written notice of Your intent to do so.

**4. Return of Postage Meter and Products.** Upon the termination of this Rental Agreement, unless directed otherwise by Us, You shall, after receiving an Equipment Return Authorization (“ERA”) number from Us, promptly send the Postage Meter and any other products, at Your expense, to any location(s) in the continental United States that We designate. The Postage Meter must be properly packed for shipment with the ERA number clearly visible, freight prepaid and fully insured, and must be received in good condition, less normal wear and tear.

**5. Postage Meter Maintenance, Inspections, and Location.** We will keep the Postage Meter in good working condition during the term of this Rental Agreement. The United States Postal Service regulations may require Us to periodically inspect the Postage Meter. You agree to cooperate with Us regarding such inspections. We may, from time to time, access and download information from Your Postage Meter to provide Us with information about Your postage usage and We may share that information with Our distributors and other third parties and You hereby authorize Us to do so. You agree to promptly update Us whenever there is any change in Your name, address, telephone number, the licensing post office, or the location of the Postage Meter.

**6. Loss; Damage;** You shall: (i) bear the risk of loss and damage to the Postage Meter and shall continue performing all of Your other obligations hereunder even if the Postage Meter becomes damaged or there is a loss, and (ii) keep the Postage Meter in good condition against all risks of loss and damage. **Default.** The cure period of 15 business days after receipt of a notice from Us will be given to You to remedy failure in accordance with the terms in this Agreement. In the event You fail to cure in accordance with the terms set forth in this Rental Agreement, then We may, without notice: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; (iii) immediately terminate this Rental Agreement; and (iv) pursue any remedies available to Us at law or in equity.

**7. Rate Updates.**

A. Maintenance of Postal Rates. It is Your sole responsibility to ensure that correct amounts are applied as payment for mailing and shipping services. We shall not be responsible for returns for delivery delays, refusals, or any other problems caused by applying the incorrect rate to mail or packages.

B. Rate Updates with Online Services. If the purchase order indicates that You are enrolled in Our Online Services program, then You will receive periodic updates for Your covered products and/or Postage Meter, including updates to maintain accurate USPS rates for the USPS services that are compatible with such products or Postage Meter. **The rate updates that**

are offered with Our Online Services program are only available for products that are integrated (as defined below) into Your mailing machine. For the purposes of this section, “Integrated” means that the covered hardware cannot properly operate on a stand-alone basis and it has been incorporated into the mail machine. Products that are not integrated including, but not limited to, all Software and scales with “ST-77,” or “SE” in the model number will not receive updated rates as part of Our Online Services program (collectively “Excluded Products”).

C. Rate Updates with Rate Change Protection and Software Advantage. If You have any of Our Excluded Products, You may have elected to purchase Rate Change Protection (“RCP”) from Us for Your hardware products or Software Advantage for Your Software. If the purchase order indicates that You have selected RCP or Software Advantage, You will receive the following updates for Your covered products or Software: (i) updates to maintain accurate rates for the services offered by the USPS and other couriers that are compatible with Your covered product or Software; and (ii) updates for zip or zone changes that are compatible with Your covered product or Software. If any reprogramming is required because You have moved the products or Postage Meter to a new location, none of the services described in this Section cover the cost to do so. If You have not selected RCP or Software Advantage, You agree that We may send You periodic rate updates as needed and You agree to either: (i) promptly pay the then-current price for such update; or (ii) return the unused, update to Us within ten (10) business days of receiving it. Customers with an outstanding Accounts Receivable balance may not receive a rate update until the open balance is resolved.

**8. UNITED STATES POSTAL SERVICE ACKNOWLEDGEMENT OF DEPOSIT REQUIREMENT.** You acknowledge and agree that You have read the United States Postal Service Acknowledgement of Deposit (the “Acknowledgement”) and will comply with its terms. The Acknowledgment reads as follows:

**UNITED STATES POSTAL SERVICE ACKNOWLEDGEMENT OF DEPOSIT.**

1. The meter licensee (“Customer”), hereby acknowledges that it must transfer funds to the United States Postal Service (“Postal Service”), through a lockbox bank (“Lockbox Bank”), for the purpose of pre-payment of postage on computerized meter resetting system (“CMRS”)-equipped meters (“Deposit”).
2. The Customer may, from time to time, make Deposits in the Lockbox Bank account, identified as: “USPS (Neopost POC)” or “USPS (Hasler TMS).” The Postal Service may, at its discretion, designate itself or a successor as recipient of Deposits by the Customer.
3. Any Deposit made by the Customer shall be credited by the Postal Service only for the payment of postage through CMRS-equipped meters. Such Deposits may be commingled with Deposits of other customers. The Customer shall not be entitled to any interest or other income earned on such Deposits.
4. The Postal Service will provide a refund to the Customer for the remaining balance in a postage meter upon its return. The Lockbox Bank will provide a refund to the Customer for Deposits otherwise held by the Postal Service; provided, however, that no refunds will be made for funds remaining in any postage meter that is reported lost or stolen, if it is not recovered within thirty (30) days from the date of such report. Refunds are provided in accordance with the rules and regulations governing deposit of funds for CMRS, published in the Domestic Mail Manual Transition Book or its successor.
5. The Lockbox Bank, which shall collect funds on behalf of the Postal Service, shall provide Us, on each business day, information as to the amount of each Deposit made to the Postal Service by Customer.
6. The Meter Company may deposit funds on behalf of the Customer. The Postal Service will make no such advances. Any relationship concerning advances is between the Customer and the Meter Company.
7. The Customer acknowledges that the terms and conditions of this Acknowledgement may be changed, modified, or revoked by the Postal Service with appropriate notice.
8. Postal Service regulations governing the deposit of funds for CMRS are published in the Domestic Mail Manual Transition Book or its successor. Customer acknowledges that it shall be subject to applicable rules, regulations, and orders, and such additional terms and conditions as may be determined in accordance with applicable law. The Postal Service rules, regulations, and orders shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit.

**10. ADDITIONAL UNITED STATES POSTAL SERVICE TERMS.**

A. To the extent that the activities for which the Postal Service is obligated to perform particular functions, those functions will be governed by the USPS Domestic Mail Manual, as may be amended from time to time, or its successor, in effect at the time of the obligation. Specifically, to the extent that the Postal Service provides refunds to customers using postage evidencing devices, the policy and procedure governing the payment of refunds will be conducted in accordance with the Domestic Mail Manual, as amended, in effect at that time.

B. If the meter is used in any fraudulent or unlawful scheme or enterprise, or is not used for any consecutive 12 month period, or if the Customer takes the meter or allows the meter to be taken outside the United States without proper written permission of the U.S. Postal Service, Washington, DC 20260-6807, or if the Customer otherwise fails to abide by the signs of postal regulations and this Rental Agreement regarding care and use of the meter, that this Agreement and any related postage meter rental may be revoked. The Customer further acknowledges that any use of this meter that fraudulently deprives the U.S. Postal Service of revenue can cause the Customer to be subject to civil and criminal penalties applicable to fraud and/or false claims against the United States. The submission of a false, fictitious or fraudulent statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802). A false statement in this application or the mailing of matter bearing a fraudulent postage meter imprints are examples of violations of these statutes.

C. The Customer is responsible for immediately reporting (within seventy-two hours or less) the theft or loss of the postage meter that is subject to this Rental Agreement. Failure to comply with this notification provision in a timely manner may result in the denial of refund of funds remaining on the postage meter at the time of the loss or theft.

D. The Customer understands that the rules and regulations regarding use of this postage meter as documented in the USPS Domestic Mail Manual may be updated from time to time by the United States Postal Service and it is the Customer's obligation to comply with any current or future rules and regulations regarding its use.

**11. Disclaimer of Warranties.** WE AFFIRM THE WARRANTIES, IF ANY, THAT ARE EXPRESSLY MADE IN THE MPA. OTHERWISE, EXCEPT AS EXPRESSLY STATED HEREIN, WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE SUITABILITY OF ANY PRODUCTS OR POSTAGE METER, ITS CONDITION, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS FREEDOM FROM INFRINGEMENT, OR OTHERWISE.

**12. Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS RENTAL AGREEMENT, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU.

TO THE EXTENT ANY LIMITATION OF LIABILITY IN THIS AGREEMENT IS CONSTRUED BY A COURT OF COMPETENT JURISDICTION TO BE A LIMITATION OF LIABILITY IN VIOLATION OF OKLAHOMA LAW, SUCH LIMITATION OF LIABILITY SHALL BE VOID.

**13. Assignment.** No right or interest in this Rental Agreement may be assigned by You, without Our prior written consent.

**14. Notice.** All notices, requests and other communications hereunder shall be in writing, and shall be addressed to You or Us, as applicable and shall be considered given when: (i) delivered personally or via email with authorized signatures; or (ii) sent by commercial overnight courier with written verification receipt.

**15. Integration.** This Rental Agreement represents the final Rental agreement between You and Us regarding Your acquisition of the Postage Meter and any other products or services. There are no unwritten oral agreements between You and Us. This Rental Agreement can be changed only by a signed, written agreement between You and Us.

**16. Severability.** In the event any provision of this Rental Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.

**17. Waiver or Delay.** A waiver of any default hereunder or of any term or condition of this Rental Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. We may accept late payments, partial payments, checks or money orders marked “payment in full,” or with a similar notation, without compromising any rights under this Rental Agreement.

**18. Choice of Law; Venue;** This Rental Agreement entered by the State of Oklahoma Purchasing Entities shall be construed in accordance with, and all disputes hereunder shall be governed by, the laws of the State of Oklahoma, excluding its conflict of law rules. The state and federal courts in the State of Oklahoma shall have the exclusive jurisdiction and venue over all controversies arising out of, or relating to, this Rental Agreement.

**19. Termination.**

**19.1 Non-Appropriation.**

- a.** You warrant and represent that You intend to enter into this Rental Agreement for at least the entire Initial Term and that You are doing so for an essential government purpose.
- b.** You may terminate this Rental Agreement at the end of Your current fiscal year, or at the end of any subsequent fiscal year, if appropriated funds are not available to You for the Rental Agreement Payments that will be due in the next fiscal year. In the event of such a non-appropriation, then You shall provide written notice to Us that states: Sufficient funds have not been and will not be appropriated for the remaining payments due under the Rental Agreement. I confirm that we will not replace the postage meter with similar equipment from any other party in the succeeding fiscal year.

**19.2 Convenience.** You may terminate this Rental Agreement at anytime and for any reason or for no reason (“Termination for Convenience”); provided that You comply with the provisions of this paragraph. In the event of a Termination for Convenience, You shall pay Us a termination charge equal to three months of rental payments.. Such amount must be received by Us within forty-five (45) days of the effective date of the termination.

**PRODUCT LEASE**

<b>Neopost Rates</b>	<b>36</b>	<b>48</b>	<b>60</b>
<b>FMV</b>	0.0337	0.0269	0.0228

In this Product Lease (the “Lease”), the words “You” and “Your” mean the lessee, which is the participating agency that issues a purchase order for a lease with Us. “We,” “Us” and “Our” mean the lessor, MailFinance Inc. “Supplier” refers to either Neopost USA Inc., or any other third party that has manufactured, or is providing services related to, the Products.

**1. Lease of Products. THIS LEASE IS UNCONDITIONAL AND NON-CANCELABLE** (except as provided in Section 21, below) during the Initial Term (as defined below). You agree to lease from Us the equipment, embedded software, Software, and other products listed on the purchase order, together with all existing and future accessories, embedded software programs, attachments, replacements, updates, additions and repairs, (collectively the “Products”) upon the terms stated herein. For the avoidance of doubt, postage meters for use in mailing machines are excluded from the definition of Products. The term “Software” means any software that is subject to this Lease, other than software programs that are embedded in the hardware. Software is subject to the additional terms as may be provided by the Supplier.

**2. Promise to Pay.** You promise to pay to Us the lease payment shown on the purchase order (“Lease Payment”) in accordance with the payment schedule set forth thereon, plus all other amounts stated in this Lease.

**3. Initial Term; Renewal.**

**FMV Lease.** The Initial Term of this Lease will begin on the date the Products are installed and will continue for the number of months shown on the applicable purchase order (“Initial Term”). You must notify Us in writing at least thirty (30) days before the end of the Initial Term that You intend to either (i) return the Products at the end of the Initial Term; or (ii) renew the Lease as described in the purchase order. If You fail to give us such notice, then this Lease will automatically renew for consecutive periods of one (1) month each (each a “Renewal Period”). The amount You pay for the Products will remain unchanged during each Renewal Period. We will not notify You that the Initial Term or any Renewal Period is ending. You may terminate this Lease at the conclusion of any Renewal Period by giving Us thirty (30) days prior written notice of Your intent to do so. If You notify Us in writing that You intend to terminate the Lease, as set forth above, You shall either return the Products pursuant to Section 12 of this Lease.

**4. Payments.** Lease Payments, and other charges provided for herein, are payable in arrears periodically as stated on the purchase order (“Lease Payment”). You agree to make Lease Payments to Us at the address specified on Our invoices, or at any other place (See the Participating Addendum item #7 for purchase order instruction) designated by Us within thirty (30) days of the date of Our invoice (See the Participating Addendum item #25; invoicing and payment).

**5. Delivery and Location of Products.** The Products will be delivered to You at the delivery address specified on the purchase order (“Delivery Address”) or, if no such location is specified, to Your invoice address. Your acceptance of the Products occurs when the Products are loading to your premises in which you physically take possession of the Products. You shall not remove the Products from the Delivery Address unless You first get Our written permission to do so.

**6. Ownership, Use, and Maintenance of Products.** We will own and have title to the Products during the Lease. You agree that the Products are and shall remain personal property. You authorize Us to record (and amend, if appropriate) a UCC financing statement to protect Our interests. You represent that the Products will be used solely for commercial purposes and not for personal, family or household purposes. At Your own cost, You agree to maintain the Products in accordance with the applicable operation manuals and to keep the Products in good working order, ordinary wear and tear excepted.

**7. Assignment of Supplier’s Warranties.** We hereby assign to You any warranties relating to the Products that We may have received from the Supplier.

**8. Relationship of the Parties.** You agree that You, not We, selected the Products and the Supplier, and that We are a separate company from the Supplier and that the Supplier is not Our agent. **IF YOU ARE A PARTY TO ANY POSTAGE METER RENTAL, MAINTENANCE, SERVICE, SUPPLIES OR OTHER CONTRACT WITH ANY SUPPLIER, WE ARE NOT A PARTY THERETO, AND SUCH CONTRACT IS NOT PART OF THIS LEASE (EVEN THOUGH WE MAY, AS A CONVENIENCE TO YOU AND THE SUPPLIER, BILL AND COLLECT MONIES OWED BY YOU TO THEM).**

**9. Default.** You will be in default under this Lease if

**9.1** You fail to pay in accordance with PA Section 25 or fail to cure after the cure period of 15 business days after receipt of a notice from Us was given to you to perform or observe any other obligation in this Lease. If You default, We may, with notice to You, do any one or more of the following, at Our option, concurrently or separately: (A) cancel this Lease; (B) require You to return the Products pursuant to Section 12 below; (C) take possession of and/or render the Products unusable; and (D) require You to pay to Us, on demand as liquidated damages and not as a penalty, an amount equal to the sum of: (i) all Lease Payments and other amounts then due and past due; (ii) all remaining Lease Payments due for the remainder of the Initial together with any taxes due or to become due during such term or if after the Initial term, all fees then due, plus interest as allowed under Title 62 O.S. §34.41 and 62 O.S. §34.72. We are not required to release or sell the Products if We repossess them. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to Us.

**10. Finance Lease.** You agree that this Lease is a “finance lease” as defined in Article 2A of the Uniform Commercial Code (“UCC”). To the extent permitted by law, You hereby waive any and all rights and remedies, subject to the approval of the Oklahoma Attorney General, conferred upon You under UCC Sections 2A-303 and 2A-508 through 2A-522, or any similar laws.

**11. Insurance.** [INTENTIONALLY OMITTED]

**12. Return of Products.** You are required to return the Products under this Lease. In such a case, at the end of the Lease, You shall, after receiving an Equipment Return Authorization (“ERA”) number from Us, promptly send the Products, at Your expense, to any location(s) in the continental United States that We designate. Such Products must be properly packed for shipment with the ERA number clearly visible, freight prepaid and fully insured, and must be received in good condition, less normal wear and tear.

**13. Assignment.** **YOU SHALL NOT SELL, TRANSFER, ASSIGN, SUBLEASE, PLEDGE OR OTHERWISE ENCUMBER (COLLECTIVELY, “TRANSFER”) THE PRODUCTS OR THIS LEASE IN WHOLE OR IN PART.**

**14. Disclaimer of Warranties.** **WE AFFIRM THE WARRANTIES, IF ANY, THAT ARE EXPRESSLY MADE IN THE PA. OTHERWISE,** WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE SUITABILITY OF THE PRODUCT(S), ITS CONDITION, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS FREEDOM FROM INFRINGEMENT, OR OTHERWISE. WE PROVIDE THE PRODUCTS TO YOU “AS IS,” “WHERE IS” AND “WITH ALL FAULTS.”

**15. Limitation of Liability.** WE SHALL NOT BE LIABLE TO YOU AND YOU SHALL NOT MAKE A CLAIM AGAINST US FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE OF ANY KIND ARISING DIRECTLY OR INDIRECTLY FROM THE DELIVERY, INSTALLATION, USE, RETURN, LOSS OF USE, DEFECT, MALFUNCTION, OR ANY OTHER MATTER RELATING TO THE PRODUCTS (COLLECTIVELY, “PRODUCT MATTERS”). NOTWITHSTANDING ANY OTHER PROVISION OF THIS LEASE, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU.

TO THE EXTENT ANY LIMITATION OF LIABILITY IN THIS AGREEMENT IS CONSTRUED BY A COURT OF COMPETENT JURISDICTION TO BE A LIMITATION OF LIABILITY IN VIOLATION OF OKALHOMA LAW, SUCH LIMITATION OF LIABILITY SHALL BE VOID.

**16. Notice.** All notices, requests and other communications hereunder shall be in writing, and shall be addressed to You or Us, as applicable and shall be considered given when (i.) delivered personally or via email with authorized signatures, or (ii.) sent by commercial overnight courier with written confirmation of delivery.

**17. Integration.** The Lease represents the final Lease agreement between You and Us. There are no unwritten oral agreements between You and Us. The Lease can be changed only by a written agreement between You and Us.

**18. Severability.** In the event any provision of this Lease shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.

**19. Waiver or Delay.** A waiver of any default hereunder or of any term or condition of this Lease shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such

# neopost TERMS & CONDITIONS

waiver is directed. We may accept late payments, partial payments, checks, or money orders marked “payment in full,” or with a similar notation, without compromising any rights under this Lease.

**20. Choice of Law; Venue.** The Lease entered by the State of Oklahoma Purchasing Entities shall be construed in accordance with, and all disputes hereunder shall be governed by, the laws of the State of Oklahoma, excluding its conflict of law rules. The state and federal courts in the State of Oklahoma shall have the exclusive jurisdiction and venue over all controversies arising out of, or relating to, this Lease

## **21. Termination:**

### **Non-Appropriation.**

**a. You warrant and** represent that You intend to enter into this Lease for at least the entire Initial Term and that You are doing so for an essential government purpose.

**b. You may terminate** this Lease at the end of Your current fiscal year, or at the end of any subsequent fiscal year, if appropriated funds are not available to You for the Lease Payments that will be due in the next fiscal year. In the event of such a non-appropriation, then You shall provide written notice to Us that states:

Sufficient funds have not been and will not be appropriated for the remaining payments due under the Lease. I confirm that we will not replace the Equipment with similar equipment from any other party in the succeeding fiscal year.

**22. Additional Postage Meter Terms.** If the Products require a postage meter, then You agree that Neopost USA’s Postage Meter Rental Agreement shall govern your rental of such postage meter.