



**MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE**

Led by the State of Arizona

Master Agreement #: ADSPO16-169901

Contractor: **NEOPOST USA INC.**

Participating Entity: **STATE OF NORTH CAROLINA**

The following products or services are included in this contract portfolio:

- *All products and accessories listed on the Contractor page of the NASPO ValuePoint website.*
  - Postage Meter Rental*
  - Mailing Systems-Ultra Low, Low, Medium, High, Production Volume*
  - Integrated Postal Scales*
  - Letter Openers-Low, High Volume*
  - Letter Folders-Low, High Volume*
  - Folder-Inserters-Low, Medium, High, Production Volume*
  - Envelope Addressing System-Low, Medium, High, Production Volume*
  - Tabbers-Low, Medium, High Volume*
  - Extractors*
  - Mail Furniture*
  - Software License & Subscription*

**Master Agreement Terms and Conditions:**

1. **Scope:** This addendum covers the *Mailroom Equipment, Supplies & Maintenance* led by the State of **Arizona** for use by state agencies and other entities located in the Participating State authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.
2. **Participation:** This NASPO ValuePoint Master Agreement may be used by all state agencies, institutions of higher education, political subdivisions and other entities authorized to use statewide contracts in the State of North Carolina. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
3. **Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Dave Nagel
Address:	Neopost USA Inc. 478 Wheelers Farms Rd. Milford, CT 06461
Telephone:	(573) 489-8860
Fax:	(203) 301-2600
Email:	<a href="mailto:d.nagel@neopost.com">d.nagel@neopost.com</a>



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Participating Entity

Name:	Grant F. Braley
Address:	1305 Mail Service Center, Raleigh NC 27699-1305
Telephone:	(919) 807-4519
Fax:	(919) 807-4510
Email:	<a href="mailto:grant.braley@doa.nc.gov">grant.braley@doa.nc.gov</a>

**4. PARTICIPATING ENTITY MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT**

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

No changes to the terms and conditions of the Master Agreement are required.

The following changes are modifying or supplementing the Master Agreement terms and conditions.

The term of this Participating Addendum will be effective upon the final execution date by the Participating State and co-terminus with the Master Agreement term unless otherwise cancelled or terminated as set forth in this Participating Addendum by the Participating State. Lead State amendments to extend the term date are automatically incorporated into this Participating Addendum unless terminated early in accordance with the terms and conditions of the Master Agreement or this Participating Addendum.

**NORTH CAROLINA TERMS AND CONDITIONS  
MANDATORY FOR PARTICIPATION AGREEMENTS**

- a. **ADVERTISING:** Vendor agrees not to use the existence of this Contract or the name of the State of North Carolina or any of its sub-units in or as part of any commercial advertising or marketing of products or services.
- b. **GOVERNING LAWS:** Solely with respect to matters or disputes related to or arising from purchase orders issued hereunder by governmental entities within the State of North Carolina, this agreement is made under and shall be governed and construed in accordance with the laws of the State of North Carolina, without regard to its conflict of laws rules, and within which State all matters, whether sounding in Contract or tort or otherwise, relating to its validity, construction, interpretation and enforcement shall be determined. This is a cooperative purchasing agreement advantageous to the State under 01 NCAC 05B.1513 and has been determined eligible for a Waiver of Competition under 01 NCAC 05B.1401. As to State purchases under the Agreement, it is subject to the

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provisions of Chapter 143 of the N.C. General Statutes and the rules in 01 NCAC Chapter 05.

- c. **ACCESS TO PERSONS AND RECORDS:** During and after the term hereof, the State Auditor and any using agency's internal auditors shall have access to persons and records, solely to the extent they relate to transactions and matters involving North Carolina's participation in the Contract, to verify accounts and data affecting fees or performance under the Contract, as provided in G. S. §143-49(9).
- d. **AVAILABILITY OF FUNDS:** Any and all payments to the Vendor are dependent upon and subject to the availability of funds to the agency for the purpose set forth in this agreement.
- e. **COMPLIANCE WITH LAWS:** Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and performance in accordance with this contract, including those of federal, state, and local agencies having jurisdiction and/or authority.
- f. **CERTIFICATIONS:** Vendor certifies to each of the following:
- a). that none of its officers, directors or controlling owners has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2);
  - b). that it is not an ineligible vendor as set forth in G.S. 143-59.1;
  - c). that no employee or agent of Vendor has offered, and no State employee has accepted, any gift or gratuity in connection this contract, in violation of N.C.G.S. § 133-32; and
  - d). that it, and each of its sub-contractors under this contract, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system, as required by G.S. §143-48.5.
  - e). that the Vendor is not an ineligible vendor due to being identified on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran, in accordance with the Iran Divestment Act of 2015, G.S. 147-86.55 et seq. The Treasurer's Divestment List may be reviewed at: <https://www.nctreasurer.com/inside-the-department/OpenGovernment/Pages/Iran-Divestment-Act-Resources.asp>.
- g. **SOVEREIGN IMMUNITY:** Notwithstanding any other term or provision in this contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity that otherwise would be available to the State under applicable law.
- h. **ELECTRONIC PROCUREMENT:**
- (a) Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Service. The Vendor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this contract.
  - (b) **THE SUCCESSFUL BIDDER(S) SHALL PAY A TRANSACTION FEE OF 1.75% (.0175) ON THE TOTAL DOLLAR AMOUNT (EXCLUDING SALES TAXES) OF GOODS INCLUDED ON EACH PURCHASE ORDER ISSUED THROUGH THE STATEWIDE E-PROCUREMENT SERVICE.** This applies to all purchase orders, regardless of the quantity or dollar amount of the purchase order. The transaction fee shall not be stated or included as a separate item on the

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invoice. There are no additional fees or charges to the Vendor for the services rendered by the Supplier Manager under this contract. Vendor will receive a credit for transaction fees they paid for the purchase of any item(s) if an item(s) is returned through no fault of the Vendor. Transaction fees are non-refundable when an item is rejected and returned, or declined, due to the Vendor's failure to perform or comply with specifications or requirements of the contract.

(c) Vendor or its Authorized Reseller, as applicable, will be invoiced monthly for the State's transaction fee by the Supplier Manager. The transaction fee shall be based on a) purchase activity for the prior month, or b) purchases for which the supplier invoice has been paid. Unless Supplier Manager receives written notice from the Vendor identifying with specificity any errors in an invoice for the transaction fee within thirty (30) days of the receipt of invoice, such invoice shall be deemed to be correct and Vendor shall have waived its right to later dispute the accuracy and completeness of the invoice. Payment of the transaction fee by the Vendor is due to the account designated by the State within thirty (30) days after receipt of the invoice for the transaction fee. If payment of the transaction fee is not received by the State within this payment period, it shall be considered a material breach of contract. Pursuant to G.S. 147-86.23, the Service will charge interest and late payment penalties on past due balances. Interest shall be charged at the rate set by the Secretary of Revenue pursuant to G.S. 105-241.21 as of the date the balances are past due. The late-payment penalty will be ten percent (10%) of the account receivable. Within thirty (30) days of the receipt of invoice, Vendor may dispute in writing the accuracy of an invoice. No interest shall be charged on disputed and overdue amounts to the extent the State agrees to reduce or adjust the amount in dispute. The Supplier Manager shall provide, whenever reasonably requested by the Vendor in writing (including electronic documents), supporting documentation from the E-Procurement Service that accounts for the amount of the invoice.

(d) The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Service. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State-approved user, not the Supplier Manager, shall be responsible for the solicitation, Bids received, evaluation of Bids received, award of contract, and the payment for goods delivered.

(e) Vendor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If Vendor is a corporation, partnership or other legal entity, then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges by such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by email. Vendor shall cooperate with the State and the Supplier Manager to mitigate and correct any security breach.

**VENDOR IS AND SHALL REMAIN RESPONSIBLE FOR PAYING THE TRANSACTION FEE ON BEHALF OF ANY SUB-CONTRACTOR OR DEALER INVOLVED IN PERFORMANCE UNDER THIS CONTRACT IN THE EVENT THAT SUCH SUB-CONTRACTOR OR DEALER DEFAULTS ON PAYMENT.**

- i. **TERMINATION FOR CONVENIENCE:** The State may terminate this contract at any time by providing ninety (90) days' notice in writing from the State to the Vendor and to the Lead State. In

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that event, all finished or unfinished deliverable items prepared by the Vendor under this contract shall, at the option of the State, become its property. If the contract is terminated by the State as provided in this section, the State shall pay for goods and services satisfactorily completed and delivered by the Vendor, less any payment or compensation previously made and as provided in Section 24.2 "Convenience," of the Government Product Lease Agreement.

- j. **NO INDEMNIFICATION:** Notwithstanding any provision to the contrary in the Agreement or otherwise, the State will not participate in Arbitration or indemnification of any party. Any term or condition is void to the extent it requires the State to indemnify, defend or pay attorneys' fees to anyone for any reason
5. **Lease Agreements:** Equipment Lease and Rental Agreements are authorized in accordance with the terms of NASPO ValuePoint Master Price Agreement number ADSPO16-169901. Attachment A reflects the lease agreement Participating State/Entity has agreed to use. Any underlying leases to this agreement will remain in full force and effect throughout the stated lease term of such lease agreement, subject to termination provisions stipulated with such lease.
6. **Software:** Software subscription terms and Software license terms and conditions templates shall be mutually agreed upon in writing by the NC Division of Purchase & Contract and Neopost USA Inc.
7. **Subcontractors:** All contractors, dealers, and resellers authorized in the State of North Carolina, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.
8. **Orders:** Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions of) the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

All purchase orders issued by purchasing entities within the jurisdiction of this Addendum must include the following (1) Mandatory Language "PO is subject to NASPO Contract #ADSPO16-169901" (2) Your Name, Address, Contact, Phone Number, and Participating State contract number:600A.

This Participating Addendum and the Master Agreement #ADSPO-169901 (administered by the State of Arizona) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Master





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Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State.

IN WITNESS, WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity: <b>State of North Carolina</b>	Contractor <b>Neopost USA Inc.</b>
Signature: 	Signature: 
Name: <b>Grant F. Bralcy</b>	Name: Kevin O'Connor
Title: <b>State Procurement Manager</b>	Title: VP Marketing
Date: <b>October 1, 2019</b>	Date: 9/30/2019



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For questions on executing a participating addendum, please contact:

NASPO ValuePoint

Cooperative Development Coordinator:	Ted Fosket
Telephone:	907-723-3360
Email:	<a href="mailto:tfosket@naspovaluepoint.org">tfosket@naspovaluepoint.org</a>

*[Please email fully executed PDF copy of this document to*

*[PA@naspovaluepoint.org](mailto:PA@naspovaluepoint.org)*

*to support documentation of participation and posting in  
appropriate data bases.]*



# NEOPOST Attachment A

## GOVERNMENT PRODUCT LEASE AGREEMENT

THIS LEASE AGREEMENT IS INCORPORATED IN AND SUBJECT TO THE GOVERNING TERMS OF THE STATE OF NC PARTICIPATING ADDENDUM (PA) CREATING STATE TERM CONTRACT NO. 600A (STC), AND UNDER THE TERMS OF THE NASPO MASTER AGREEMENT NO. ADSPO 16-169901 ("Agreement").

In this Government Product Lease Agreement attached to the PA (the "Lease"), the words "You" and "Your" mean the lessee, which is the entity that is identified as the using agency of the State of North Carolina or a non-state entity issuing a relevant Purchase Order and authorized to procure services under this STC on an Order Form and Purchase Order ("Customer"). "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 24, below)** during the Initial Term (as defined below). You agree to lease from Us the equipment, embedded software, Software, services and other products listed on the Order Form and Purchase Order, together with all existing accessories, embedded software programs, attachments, replacements, updates, additions and repairs, (collectively the "Products") upon the terms stated in the Agreement. 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.

**2. Promise to Pay.** You promise to pay to Us the lease payment shown on the Order Form ("Lease Payment") in accordance with the payment schedule set forth in the Agreement, plus all other amounts stated in this Lease, consistent with Your Purchase Order.

**3. Initial Term; Renewal.**

**3.1 FMV Lease.** The Initial Term of this Lease will begin on the date the Products are installed and accepted, as outlined in Section 5 herein, and will continue for the number of months shown in the Agreement and the applicable Order Form ("Initial Term"). Unless You have opted for an LTOP Lease as described in Section 23, 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) purchase the Products pursuant to Section 22.

**3.2 LTOP Lease.** If you have opted for an LTOP Lease as described in Section 23, then the term of this Lease will begin on the date the Products are installed and will continue for the number of months shown in the Agreement and on the applicable Order Form and Purchase Order ("Initial Term"). At the conclusion of the Initial Term of an LTOP Lease, we shall: (i) transfer title of all hardware Products to You as set forth in Section 23; and (ii) Your license to use any Software Products shall continue without the need to make any further license payments to Us.

**4. Payments.** Lease Payments, and other charges provided for in the Agreement, are payable in arrears periodically as stated on the Order Form. You agree to make Lease Payments to Us at the address specified on Our invoices,

or at any other place designated by Us within thirty (30) days of the date of Our correct invoice.

**5. Delivery and Location of Products.** The Products will be delivered to You at the Delivery Address specified on the Order Form ("Delivery Address") or, if no such location is specified, to Your Invoice Address. You shall not remove the Products from the Delivery Address unless You first get Our written permission to do so. The Initial Term of this Lease will commence either upon written acceptance of the Products by You, as signified by Your signature on Our Lease Confirmation, Delivery, and Acceptance form at the time of delivery and installation of the products ("Acceptance Form"), (either considered the "Acceptance"). In the event You have not signed the Acceptance Form within five (5) business days of the Products being installed at Your location, You may either: (i) sign the Acceptance Form and provide a copy to Us; or (ii) provide a written statement to Us specifying the reason(s) that the Acceptance Form has not been signed and provided ("Statement of Non-Acceptance"). If a Statement of Non-Acceptance has not been received by Us within seven (7) business days from the date of installation, the Acceptance Form will be deemed to have been signed, and the Products accepted by You on the date the Products were delivered. We shall have 14 business days to correct any issues specified in the Statement of Non-Acceptance.

**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 Our personal property. You represent that the Products will be used solely for governmental 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. We acknowledge that Customer has entered into a maintenance agreement with Neopost USA Inc. to discharge its obligations to maintain the Products.

**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. We confirm that Neopost USA Inc. gives Us the following warranty: Neopost USA Inc. warrants that the Products shall be free from defects in material and workmanship for ninety (90) days after delivery.

**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, ASA 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 You fail to pay any amount within ten (10) \ days of the due date or fail to perform or observe any other obligation in this Lease. If You default, and You fail to cure such non-performance within thirty (30) days following receipt of written notice from Us, We may, with thirty (30) days' 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 for such purposes You hereby authorize Us and Our designees to enter Your premises, with prior reasonable notice or other process of law; 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) remaining Lease Payments discounted as in Section 24.2 for the then-current term, together with any taxes due or to become due during such term (which You agree is a reasonable estimate of Our damages); and (iii) in the event that You failed to promptly return the Products to Us, an amount equal to the remaining value of the Products at the end of the then-current term, as reasonably determined by Us. We are not required to re-lease 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 either of Us.

**10. Finance Lease.** You agree that this Lease is a "finance lease" as defined in Article 2A of the Uniform Commercial Code, as found in N.C.G.S. Chapter 25A, Article 2A ("UCC"). To the extent permitted by law, You hereby waive any and all rights and remedies conferred upon You under UCC Sections 2A 303 and 2A 508 through 2A 522, or any similar laws.

**11. Loss; Damage; Insurance.** You shall: (i) bear the risk of loss and damage to the Product(s) during the Initial Term and any Renewal Period; and (ii) keep the Product(s) insured, or self-insured, at Your expense, against all risks of loss and damage in an amount at least equal to its full replacement cost.

**12. Return of Products.** Unless You take title to the tangible Products pursuant to Section 22 or Section 23, then You are required to return such 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 plus shipping and handling costs, to any location(s) that We designate in the contiguous United States. The 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, subject to any Legislative reorganization of Your agency.**

**14. Disclaimer of Warranties.** 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 NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT

EXCEED TWO TIMES THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU.

**16. Notice.** All notices related to this Lease to Us shall be made by You, or an attorney representing You. Notice of non-renewal of this Lease shall be made as outlined in Section 3 herein by calling 1-800-NEOPOST (636-7678). All other notices, requests and other communications hereunder shall be in writing and sent to: MailFinance Inc., 478 Wheelers Farms Road, Milford, CT 06461 ("Notice Address"). Such notices shall be considered given when: (i) delivered personally, or (ii) sent by commercial overnight courier with written confirmation of delivery. In the event that We do not accept Your offer to enter this Lease, then You have the right to a written statement that specifies the reasons that Your offer was not accepted. You can request such a statement by writing to Us at the Notice Address.

**17. Integration.** The governing Agreement and this incorporated Lease represents the final and only 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. Any additional terms and conditions referenced on any Purchase Order shall be void and have no effect on this Lease.

**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 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. Survival of Obligations.** Your obligations under this Lease shall survive any expiration or termination of any government procurement contract that may be related to it. Any obligations and duties which by their nature extend beyond the expiration or termination of this Lease shall survive the expiration or termination of this Lease.

**21. THIS SECTION INTENTIONALLY BLANK**

**22. FMV Leases.** If this Lease is a fair market value lease, as indicated by the lease rate that has been used by Us to calculate Your Lease Payment then, unless You are in default, You may elect to purchase the hardware Products at the end of this Lease on an "as is, where is" basis for their fair market value, as reasonably determined by Us. In the event that You elect to do so, You must give us sixty (60) days prior written notice of Your election to purchase such Products.

**23. LTOP Leases.** If this Lease is a lease to purchase, as indicated by the lease rate that has been used by Us to calculate Your Lease Payments then, at the end of the Initial Term and after You have made all of the Lease Payments, We shall transfer title to all hardware Products that are subject to this Lease to You on an "as is, where is" basis.

**24. Termination.**

**24.1 Non-Appropriation.**

**a.** You 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. You agree that, prior to the expiration of the Initial Term, you shall not

terminate this Lease in order to obtain the same or similar Products from another vendor.

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.

**24.2 Convenience.** You may terminate this Lease at any time 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 the net present value of the periodic payments remaining in the Initial Term or, if applicable, the then-current Renewal Term, discounted to the present value at an interest rate equal to six percent (6%) per annum. Such amount must be received by Us within thirty (30) days of the effective date of the termination.

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

## POSTAGE METER RENTAL AGREEMENT

**1. Incorporation of Certain Terms.** Customer acknowledges that: (i) it has entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease"); and (ii) if the Products that are subject to the Lease includes a mailing machine, then the terms of this Postage Meter Rental Agreement ("Rental Agreement") shall govern its rental of the Postage Meter (as defined below) for such machine. Any defined terms in the Lease shall have the same meanings in this Rental Agreement, except that "We," "Us," and "Our," refers to Neopost USA Inc., and any reference to "Products" shall refer to the Postage Meter. Sections 11, 12 and 14 through 25 of the Lease are hereby incorporated into this Rental Agreement, except that any reference in those sections to the "Lease" refer to this Rental Agreement.

**2. Provisions as to Use.** You acknowledge that: (i) as required by United States Postal Service ("USPS") regulations, the postage meter(s) identified on the Order Form and your Purchase Order (the "Postage Meter") 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, Term, and Taxes.** The rental fee for the Postage Meter rental during the Initial Term is included in the Lease Payment. For each Renewal Term, You agree to pay Our then-current fee for the Postage Meter rental. The Postage Meter rental fee does not include the cost of consumable supplies. The term of the rental shall be equal to the term of the Lease and is NON-CANCELABLE except as provided herein. You agree to pay all applicable taxes related to Your acquisition, possession, and/or use of the Postage Meter including all property taxes on the Postage Meter.

Notwithstanding the foregoing, in the event You are tax exempt, upon providing Us a certificate, You will not be required to pay any taxes covered by such certificate. You agree that you will return the Postage Meter at the end of the Lease term and that You will do so in the manner set forth in Section 12 of the Lease. Furthermore, You agree that if you fail to return a postage meter within thirty (30) days of receipt of the Equipment Return Authorization from Us, then You will pay a postage meter replacement fee of one thousand dollars (\$1,000).

**4. 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.

**5. Postage Advances.** We do not sell postage. In the event You require an emergency advance for postage, We, at Our sole discretion, may advance You money to reset the Postage Meter. If We do provide such an advance, You agree to repay Us within five (5) days from the time of such advance: (i) the amount of the emergency advance; and (ii) the then-current advance fee.

**6. Default.** In the event You fail to perform in accordance with the terms set forth in the Agreement and this Rental Agreement, or any other expressly agreed to Agreement with Us or any of Our affiliates, including, but not limited to, MailFinance Inc., and Mailroom Finance, Inc., 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. Furthermore, upon the return of the Postage Meter, You hereby authorize Us to offset any amount of postage remaining in the Postage Meter, prior to any refund to You, against any amount due to Us or any of Our affiliates. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to either of Us.

### 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 Order Form indicates that You are enrolled in Our Online Services program, then We will make available 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 Order Form indicates that You have selected RCP or Software Advantage, We will make available 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 Products or Software; and (ii) updates for major zip or zone changes that are compatible with Your covered Products 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) if a physical rate update chip has been received, 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.** By signing this Postage Meter Rental Agreement, You acknowledge and agree that You have read the United States Postal Service Acknowledgement of Deposit (the "Acknowledgement") and will comply with its terms and conditions, as it may be amended from time to time.

**9. Additional United States Postal Service Terms.**

- A. By signing this Postage Meter Rental Agreement, You acknowledge that You are also entering into an Agreement with the United States Postal Service ("USPS") in accordance with the Domestic Mail Manual ("DMM") 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (collectively, "Postage Evidencing Systems" or "PES") and accept responsibility for control and use of the PES contained therein.
- B. You also acknowledge You have read the DMM 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage Evidencing Systems) and agree to abide by all rules and regulations governing its use.
- C. Failure to comply with the rules and regulations contained in the DMM or use of the PES in any fraudulent or unlawful scheme or enterprise may result in the revocation of this Rental Agreement.
- D. You further acknowledge that any use of this PES that fraudulently deprives the USPS of revenue can cause You 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).

- E. You further understand that the rules and regulations regarding use of this PES as documented in the USPS Domestic Mail Manual may be updated from time to time by the USPS and it is Your obligation to comply with any current or future rules and regulations regarding its use.
- F. You are 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.

**NeoFunds®/TotalFunds® ACCOUNT AGREEMENT**

**1. Incorporation of Certain Terms.** You acknowledge that You have entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease") and a Postage Meter Rental Agreement with Neopost USA Inc. (the "Rental Agreement"). If you have an eligible postage meter, then you will have access to a NeoFunds postage funding account (for Neopost POC accounts) or a TotalFunds postage funding account (for Hasler TMS accounts) and this NeoFunds/TotalFunds Account Agreement ("Account Agreement") shall govern Your use of such account. Any defined terms in the Lease or Rental Agreement shall have the same meanings in this NeoFunds Agreement, except that "We," "Us," and "Our," refer to Mailroom Finance, Inc., an affiliate of Neopost USA Inc. Sections 14 through 20 of the Lease are hereby incorporated into this Account Agreement except that any reference in those sections to the "Lease" refers to this Account Agreement.

**2. Establishment and Activation of Account.** You hereby authorize Us, to establish an account in Your name ("Account") for funding the purchase of postage from the United States Postal Service ("USPS") for use in the postage meter. Your Account may also be used to purchase supplies, pay for the Postage Meter rental, and obtain certain other products and services from Neopost USA. The establishment of Your Account shall be subject to Our approval of Your creditworthiness. Any use of the Account shall constitute Your acceptance of all the terms and conditions of this Account Agreement and all other documents executed or provided in connection with the Account. The Account may not be used for personal, family, or household purposes.

**3. Operation of Account.** Each time an employee or agent of Yours with the express, implied, or apparent authority to do so (each an "Authorized User") uses the Account to receive a postage meter reset or obtain other products or services that Neopost USA Inc. is authorized to provide, Neopost USA Inc. will notify Us of the amount to be applied to Your Account balance. If the Account is used to obtain postage, then We will transfer the requested amount of postage to the USPS on Your behalf and Your Account will be charged for the amount of postage requested and any related fees, if applicable. You can continue to pre-pay the USPS for postage and understand that pre-paid postage funds will be used first to pay for my postage meter resets. You further understand that NeoFunds/TotalFunds will provide additional available postage funds when Your pre-paid account balance is zero (\$0). When You request a postage meter reset, if You have the funds on

account with the USPS, those funds automatically will be withdrawn first to pay for postage, and any additional amounts due for postage and related fees will be billed through the NeoFunds/TotalFunds Account under the terms and conditions of this Account Agreement. If the Account is used to acquire products or services from that Neopost USA is authorized to provide, then We shall pay the applicable amount to Neopost USA Inc. and add such amount to Your Account balance.

**4. Payment Terms.** You will receive a billing statement for each billing cycle in which You have any activity on Your Account. Payments are due on the due date shown on Your billing statement. You may pay the entire balance due or a portion of the balance, provided that You pay at least the minimum payment amount shown on Your statement. However, if You have exceeded the Account Limit, then You must pay the entire amount of any overage, as well as the minimum payment amount shown on Your statement. Whenever there is an unpaid balance outstanding on Your Account which is not paid in full by the due date shown on Your billing statement, We will charge You, and You agree to pay, interest on the unpaid balance of the Account for each day from the date the transaction is posted to Your Account until the date the unpaid balance is paid in full, at the Annual Percentage Rate (as defined below). The Account balance that is subject to a finance charge each day will include outstanding balances, minus any payments and credits received by Us on Your Account that day. The Annual Percentage Rate applicable to Your Account will be equal to the lesser of eighteen percent (18.00%) per annum or the maximum permitted by law. Each payment will be applied to reduce the outstanding balance of Your Account and replenish the amount available to You. We may refuse to extend further credit if the amount of a requested charge plus Your existing balance exceeds Your Account Limit.

**5. Account Limit and Account Fees.** You agree that We will establish a credit limit on Your Account (the "Account Limit"). The exact amount of the Account Limit will be indicated on Your invoice. We may, in Our sole discretion, allow Your balance to exceed the Account Limit. In the event We do so, You agree to pay Us an additional fee equal to one percent (1%) of the amount by which the Account Limit is exceeded for each transaction that You initiate after Your Account has reached the Account Limit. Such amount will be charged to Your Account on the date that the relevant transaction(s) occurs. Unless prohibited by applicable law, You agree to pay the amounts set forth in this Account Agreement, which may include, without limitation, the amounts specified above, a fee for a late payment, a fee for any checks that are returned as a result of insufficient funds, and a fee for any ACH direct debit transactions which are rejected, and an annual account fee. All such fees shall be added to Your Account balance.

**6. Cancellation and Suspension.** We may at any time close or suspend Your Account or temporarily refuse to allow further charges to Your Account. You can cancel Your Account at any time by notifying Us in writing at the address provided on Your Account statement of Your desire to do so. No cancellation or suspension will affect Your obligation to pay any amounts You then owe under this Account Agreement. We will notify You of the Account balance in the event of any termination and all outstanding obligations will survive the termination of this Account Agreement by either party.

**7. Default.** We may declare You in default if You: (i) have made any misrepresentations to Us; (ii) at any time, have done or allowed anything that indicates to Us that You may be unable or unwilling to repay the balance of Your Account as required under this Account Agreement; or (iii) are in default under this

Account Agreement or any lease, rental, or other agreement with Us, Neopost USA Inc., or their affiliates. If You are in default, or upon any cancellation of Your Account, We shall not be obligated to continue to provide the Account service or extend further credit under this Account Agreement. If We are required to take collection action or any other legal action under this Account Agreement, You shall pay upon demand by Us all court and collection costs, along with reasonable attorney's fees. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to Us.

**8. Remedies.** If We have declared that You are in default under this Account Agreement, then We may: (i) declare all agreements You have with Us in default and due and payable at once without notice or demand; (ii) refuse to make further advances on Your behalf to reset Your postage meter; and (iii) exercise any other rights that We may have. In addition, You agree that any default under this Account Agreement shall constitute a default under any agreement You may have with any of Our affiliates, including, but not limited to, Neopost USA Inc., MailFinance Inc.

**9. Amendments.** We may amend this Account Agreement, or any of its provisions, including without limitation any fees and charges and/or the Annual Percentage Rate, at any time by at least thirty (30) days written notice to You, and such written notice may be included in Your billing statement. Any such amendment will become effective on the date stated in the notice and will apply to any transactions after such date, as well as to any outstanding balance on Your Account.

**10. Notice:** Any notice required to be given under this Account Agreement by either party hereto shall be given if to You, at the address shown on Your Order Form, and if to Us at 478 Wheelers Farms Road, Milford, CT 06461.

**11. Miscellaneous.** You understand that We may obtain credit reports in connection with Your Account now and in the future. This Account Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to its conflict-of-laws rules, and any applicable federal laws. The sole jurisdiction and venue for actions related to the subject matter hereof shall be in a State or Federal Court within the State of Texas.

## MAINTENANCE AGREEMENT

**1. Incorporation of Certain Terms.** You acknowledge that You have entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease"). Any defined terms in the Lease shall have the same meanings in this Maintenance Agreement, except that "We," "Us," and "Our," refer to Neopost USA Inc. Sections 13 through 24 of the Lease are hereby incorporated into this Maintenance Agreement, except that any reference in those sections to the "Lease" refers to this Maintenance Agreement.

**2. Neopost's Terms and Conditions for Maintenance Services** If the order form indicates that You have purchased maintenance services, then Neopost USA Inc. will provide maintenance services for the Products in accordance with Neopost USA Inc.'s maintenance terms as outlined below, and at the then-current pricing for the level of maintenance services that You have purchased. Those services will be provided for the entire term of the Lease and are NON-CANCELABLE except as provided for in the Lease. The current version of those terms and conditions are available at [www.neopostusa.com/maintenanceagreementV0613](http://www.neopostusa.com/maintenanceagreementV0613).

**Notwithstanding the foregoing, maintenance services are not available on HD Office Printer Series products.**

**3. Auto Ink Program.** If the Order Form and your Purchase Order indicates that You have elected to participate in Our Auto Ink Program (the "Program"), then you hereby authorize Us to ship You a new ink cartridge for the Product whenever the Product indicates that the then-current ink cartridge reaches twenty percent (20%) of its capacity. You authorize Us to charge the then-current fee for such cartridge (plus applicable taxes and shipping charges) to Your NeoFunds or TotalFunds Account. You may opt out of the Program at any time by sending an email to CIMneworders@neopost.com.

#### **WHAT'S COVERED?**

Maintenance services, as described herein, will be provided for the Products at the Installation 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"). Unless Customer has purchased PremierPlus maintenance service, Maintenance Services do not include consumable parts and/or wearable parts as defined by Neopost. 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 third party to provide Maintenance Services. Products must continue to meet published specifications, and Neopost may service the non-conforming Products by replacement with new, or like-new Products; provided that such replacement products are substantially similar to the Products. Maintenance Services will be provided during normal business hours. Any parts that are replaced by Neopost while performing Maintenance Services become the property of Neopost.

#### **WHAT ARE THE FEES AND WHEN ARE THEY DUE?**

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, on the date the lease commences. During any Renewal Term, Customer agrees to pay the then-current fee for Maintenance Services.

#### **Other Fees:**

In addition to the Maintenance Fees, Customer agrees to pay: (a) for labor, parts, and expenses for maintenance or repair that is part of an Excluded Service (as defined below); or (b) an increased Maintenance Fee for Products that are regularly used by more than one shift of personnel per business day (collectively "Additional Charges"). All Additional Charges shall be at Neopost's then-current published rates for time and materials.

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

#### **WHAT IS THE TERM OF THE MAINTENANCE SERVICES?**

The term of the Maintenance Services for Leased Products will

be equal to the term of the lease as specified in the Agreement.

#### **HOW DO I REQUEST MAINTENANCE SERVICE?**

In order to receive Maintenance Services on the Products, the Customer must notify Neopost of a need for service by contacting Neopost in the manner directed by Neopost. 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.

#### **WHAT'S 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);
- Services provided before 8:00 a.m. or after 5:00 p.m. local time based on the location of the Products (however service is available outside of those hours 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 or natural disasters;
- Maintenance or repairs made necessary by the gross 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 relocation of the Products not conducted by Neopost;
- 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 copies stored within Neopost Products or the maintaining of any back-up data;
- Rebuilding or major overhauls which Neopost determines are necessary ("Reconditioning").

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 (including travel time), as well as Neopost's then-current price for any parts required in connection with such services.

## WHAT OTHER RESPONSIBILITIES DO I HAVE?

**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:** Upon written notice, Customer shall allow Neopost full and free access to the Products and the use of necessary data communications 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.

## WHAT ELSE DO I 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.

## ONLINE SERVICES AND SOFTWARE AGREEMENT

**1. Incorporation of Certain Terms.** You acknowledge that You have entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease"). Any defined terms in the Lease shall have the same meanings in this Online Services and Software Agreement ("OSS Agreement"), except that "We," "Us," and "Our," refer to Neopost USA Inc. Sections 13 through 24 of the Lease are hereby incorporated into this OSS Agreement, except that any reference in those sections to the "Lease" refer to this OSS Agreement.

**2. License Grant and Additional Terms.** In exchange for the license fees that are included in Your Lease Payment, We hereby grant to You a nonexclusive, nontransferable license to use the Software products, including related documentation, described on the Order Form solely for Your own use on or with the Products. You warrant and represent that You will not sell, transfer, disclose or otherwise make available such Software products or copies thereof to third parties; provided, however, that the Software products may be used by Your employees or independent contractors using the Products. No title or ownership of the Software products or any portion thereof is transferred to You. You acknowledge and agree that there may be additional terms and conditions that the parties have agreed that apply to Your use of any Software provided by Us.

**3. Software Support.** Unless otherwise specified in the applicable Software terms, if You have purchased support for the Software, We will provide the following for a period of one (1) year: (i) software updates and, if applicable, carrier rate updates that keep You current and compliant with supported carrier rates, fees, zone schedules, label, barcode and forms changes; (ii) updates to the Software; (iii) corrective bug fixes as released; and (iv) technical support for the Software (collectively "Software Maintenance"). At the conclusion of each year of Software Maintenance, the Software Maintenance will automatically renew for additional one-year periods at Our then-current fee for such services unless you give us at least sixty (60) days prior written notice that you wish to cancel the Software Maintenance. You acknowledge that the Software may fail to comply with applicable regulations if you do not have Software Maintenance and that We shall not have any liability in connection with any such failure. If You allow the Software Maintenance to lapse, You may reinstate such services; provided that you pay all fees that would have been due from the expiration of Your last Software Maintenance period through the reinstatement date, plus a 15% administrative surcharge.

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