

POSTAGE EQUIPMENT AGREEMENT TERMS AND CONDITIONS

1. SCOPE OF COVERAGE

For purposes of this Agreement "Equipment" includes the equipment listed on Page 1 hereof which includes one or more postage meter machine(s). "Supplies" includes but is not limited to all consumable items such as ink, labels, sealing solution for the Equipment. This Agreement ("Agreement") covers labor and material for adjustments, repairs and replacement of parts as necessitated by normal use of the Equipment. This Agreement does not cover standard key operator responsibilities, supplies or other items as herein described but does include technical help via phone and, and it also includes Setup, Delivery & Initial Training. Customer shall ensure all necessary employees who desire to receive training on the Equipment are available during the initial training session. Upon written request of Customer, HOS agrees to provide customer one additional training visit per year. This Agreement does not cover damage to the Equipment and/or any parts thereof arising from misuse, abuse, negligence or causes beyond the control of HILLIARD OFFICE SOLUTIONS ("HOS"), including electrical surges, acts of God and natural disasters. If the Equipment is modified, damaged, altered or serviced by anyone not employed or authorized by HOS, or if parts, accessories or components not authorized by HOS are fitted to the Equipment, HOS reserves the right to assess additional charges and/or terminate this Agreement. HOS reserves the right at any time to change any of the terms and conditions herein, and will communicate material changes to Customer. Customer's continued use of HOS's services thereafter will be deemed acceptance thereof.

2. POSTAGE DOWNLOADS

Upon Customer request, HOS agrees to provide onsite assistance with postage downloads twice annually. Unlimited technical help via phone or remotely will be provided at no additional cost to Customer.

3. SERVICE CALLS

Service calls under this Agreement will normally be performed between the hours of 8:00 A.M. to 5:00 P.M. Central Standard Time Monday-Friday ("Normal Hours") at the address listed herein for Customer.

4. TWILIGHT SERVICE (24 hrs/day; 7 days/week)

Service after Normal Hours, or on weekends or holidays is available on selected products at special after-hours rates ("Twilight Service") which will incur an additional fee.

5. LABOR & REPAIR SERVICES, REPLACEMENT PARTS, AND SUPPLIES

HOS provides onsite assistance to Customer when the US Postal Service rates change. This onsite service is limited to two site visits annually and will be provided only upon the written request of the Customer. Labor performed during a service call, including lubrication and cleaning of the Equipment and adjustments, repair or replacement of parts necessary to the normal operation of the Equipment, will be covered by Customer's Base Rate. Where the Equipment is interfaced to a computer or computer network, this Agreement covers only the labor, parts, software and updates provided by the Equipment manufacturer. This Agreement does not cover services associated with application software updates on equipment not sold in conjunction with the connected Equipment, hardware or software reconfiguration, modification to files, or program and network expansions. If Customer does not have a Digital Support Services Agreement with HOS, computer support will be invoiced on a per-call basis at HOS's then-current published rates. Customer is responsible for periodic cleaning to keep the Equipment in good operating condition between regularly scheduled service calls. Title and ownership of all property delivered to Customer under the terms herein is and shall remain vested in HOS, notwithstanding delivery and possession, until the entire invoiced amount is paid in full. Customer hereby grants HOS a security interest in said property, as well as the right to take all steps necessary to protect such security interest, including but not limited to the right to file a UCC financing statement. It is HOS's intent to work with Customer to ensure Customer has adequate, but not excessive inventory at the Equipment location. HOS reserves the right to determine the appropriate inventory level and to collect excessive inventory.

6. TERM

Start Date and Initial Term are defined herein on Page 1. HOS reserves the right to inspect all Equipment to be covered by this Agreement to determine that it is in good mechanical condition throughout the term of this Agreement. In the event the Equipment requires repair or reconditioning prior to the Start Date of this Agreement, then such services will be charged at HOS's current published rates. HOS reserves the right not to renew this agreement at any time for any reason. Unless HOS receives written notice with one hundred twenty (120) days, but no later than sixty (60) days prior to the termination of the Initial Term of this Agreement, or any extended term, to terminate this agreement, this Agreement will automatically renew for consecutive one (1) year periods on the "Anniversary Date".

7. CHARGES

The initial monthly charge under this Agreement (the "Base Rate") is set forth on Page 1 hereof. The Base Rate will be invoiced in advance and will be billed one (1) month in advance of the actual due date. State or local taxes will be added and indicated on each invoice. Any renewal term will include HOS's published rates in effect within ninety (90) days prior to, or thirty (30) days after Customer's Anniversary Date. Customer agrees to pay to HOS the total amount of such charges within fifteen (15) days of the HOS Invoice Date for such charges. Customer understands that alterations, attachments, specification changes or cost of parts, supplies or services may require an increase in charges and agrees to pay such charges promptly when due. HOS reserves the right to bill surcharges to Customer for excessive costs incurred in providing service under this Agreement, which may include but are not limited to, excessive fuel cost, excessive freight-in or freight-out costs, and excessive parts and/or supplies costs affected by unusual market conditions. Customer will be invoiced on the basis selected on Page 1: monthly, quarterly, or annually. Any invoice not disputed in writing by Customer within fifteen (15) days of the HOS Invoice Date shall be deemed accepted and properly payable. **A Trip Charge will be incurred for all service calls to any Equipment location that exceeds 60 miles round-trip from the nearest HOS office, whichever is closer. Each mile in excess of the 60-mile round-trip radius will be charged at the IRS-approved rate at the time of service.**

8. OUTDATED MACHINES

"Outdated Machine" means any Equipment that has been out of production for five (5) or more years. When servicing an Outdated Machine, HOS can only provide labor for repair, and those parts and supplies which are reasonably available. If it is determined that parts are not available from any reasonable source, Customer or HOS may terminate this agreement in accordance with the terms hereof.

9. RECONDITIONING OR REPLACEMENT

When HOS, in its sole discretion, determines that a shop reconditioning is necessary to keep the Equipment within manufacturer's written specifications, HOS will provide Customer a written Reconditioning Estimate, itemizing the needed repairs and their cost. Reconditioning charges are not covered by this Agreement. If Customer does not authorize such reconditioning, HOS may discontinue service of the Equipment under this Agreement, and/or may refuse to renew this Agreement at the Anniversary Date. Any service provided thereafter will be on a "per call" basis at HOS's current published rates. If FP Mailing solutions or HOS determine that replacement of the Equipment is necessary, HOS will, at no additional cost, promptly assist customer to install the replacement equipment and package and ship the damaged equipment to Vendor from your office. The Customer shall be responsible for the return of covered equipment until FP Mailing Solutions receives it.

10. TERMINATION BREACH OR DEFAULT

If Customer breaches this or any other agreement with HOS, HOS may: (a) cancel this Agreement and/or; (b) enter Customer's premises and take possession of the Equipment and supplies and/or; (c) require Customer to pay to HOS on demand: (i) all amounts then due hereunder; (ii) all remaining payments owed for the Base Rate of the Initial Term plus any and all late fees and interest on any unpaid amounts, as provided for herein; (iii) Interest on the amounts specified above from the date of demand to the date paid calculated at 1.5% per month or the highest interest allowed by law, whichever is greater; and (iv) all other amounts to become due hereunder; and/or (d) exercise any other remedy available under law. Customer agrees to pay all of HOS's enforcement costs (including, without limitation, reasonable attorney's fees, and repossession and remarketing expenses). Customer shall pay a late fee equal to the greater of 10% of the late amount or \$50.00, plus interest of 1.5% per month or the maximum rate allowed by law, whichever is greater on the late portion from the due date to the date paid. If any check is dishonored, Customer shall pay a processing fee of \$100.00.

11. HOW TO CONTACT US

To obtain Service, please either place a service request on HOS's website at www.hilliardos.com or call HOS's toll-free number at 1-866-976-2679 (Monday – Friday, 8am-5pm CST, excluding holidays).

- (a) In the event you wish to cancel your Meter rental or you do not wish to renew your Postage Equipment Agreement after the Initial Term, please send written notice by mail to: Hilliard Office Solutions, Attention: Postage Contracts, PO Box 52510, Midland, Texas 79710.

12. RELOCATION OF EQUIPMENT

If, at Customer's request, HOS moves the Equipment to a different location from that specified in the Agreement, HOS will charge Customer its current published rates for Equipment moving. If the Equipment is moved by anyone not employed or authorized by HOS, then HOS may, at its sole option, terminate this Agreement or inspect the Equipment before and after such move to determine whether to continue services under this Agreement. HOS shall have the option to charge, and Customer agrees to pay, any difference in charges between the original location and the new location. If Equipment is moved beyond HOS's service area, HOS reserves the right to terminate this Agreement or increase its rates and fees for continued service under this Agreement, taking into account the distance to Customer's new location and HOS's current published rates for service on a "per call" basis.

13. UNAPPROVED SUPPLIES

If Customer uses supplies other than those provided by HOS, and such supplies are determined by HOS to be defective and/or not acceptable and/or to cause abnormally frequent service calls or service problems, then HOS may, at its sole option, terminate this Agreement.

14. NO WARRANTY

Other than the obligations set forth herein, **HOS DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR USE, AND/ OR FITNESS FOR A PARTICULAR PURPOSE. HOS SHALL NOT BE RESPONSIBLE FOR DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES ARISING OUT OF THE USE OR PERFORMANCE OR LOSS OF THE EQUIPMENT.**

15. CREDIT CHECK

Customer authorizes HOS or its authorized representative to conduct confidential credit inquiries on Customer's financial responsibility and credit worthiness.

16. VENUE AND OTHER PROVISIONS

This Agreement shall be governed by and construed according to the laws of the State of Texas. The venue for all claims under this Agreement shall be Midland, Texas. This Agreement may not be modified unless such modification is made in writing and signed by duly authorized representatives of all parties hereto. Should any provision of this Agreement be found invalid or unenforceable by any court having jurisdiction, then such provision may be severed and the remainder of the Agreement shall survive in full force and effect. This Agreement is not assignable by Customer without the prior written consent of HOS, and any attempt by Customer to assign any rights, duties, or obligations which arise under this Agreement without such prior consent shall be null and void.

17. INTEGRATED AGREEMENT

This Agreement, together with HOS's Terms and Conditions of Sale, and a Digital Support Services Agreement (if applicable), is intended by the Parties as a final expression of their agreement with respect to the purchase of goods and services, and a complete and exclusive statement of such agreement, and as such, supercedes all prior and contemporaneous agreements, representations, warranties and understandings of the Parties, whether oral, written or implied.