

# TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale (“**Terms**”) are incorporated by reference into any agreement by which National Presort, LLC, a Delaware limited liability company (including any of its subsidiaries and affiliates, “NPI”) provides a product or service made part of a sale to a Customer or End-User (each a “Party” together the “Parties”).

Such Terms shall apply to any and all deliverables, products, or services offered by NPI including any quotations, proposals, purchase orders, Statements of Work, agreements or contracts entered into between NPI and a Customer or End-User. NPI objects to any provisions outside of these Terms unless agreed to between the Parties in writing. Purchase Orders are not considered binding until accepted and approved by NPI. The Terms contained herein shall remain in force pursuant to any purchase of goods or services from NPI or to be sold hereinafter.

## Definitions:

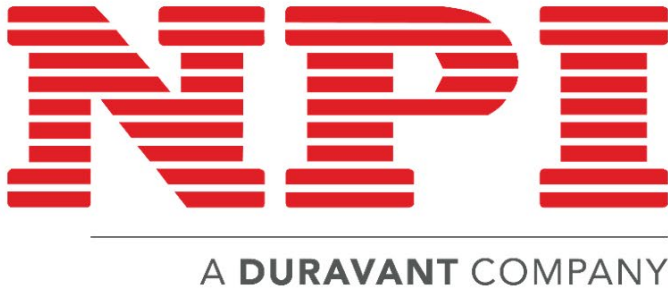
“Deliverables” shall mean any goods, materials, equipment, parts, software and/or services quoted, sold, or proposed to be sold by NPI.

“Purchase Order” shall mean a form of document indicating a request to purchase Deliverables from NPI.

“Customer” shall mean a person, firm, company, or entity purchasing Deliverables from NPI, and shall include any end-user of Customer, its affiliates, their respective officers, directors, agents, representatives, employees, sub-vendors.

“Contract” shall mean any agreement entered into between NPI and respective Customer containing the signature of each Party acknowledging the acceptance of agreement, terms, and offerings being entered into by the Parties.

1. Acceptance: Customer hereby accepts the Terms herein. If Customer proposes a revision of Terms, then such request shall be in writing and shall be effective only after NPI accepts such proposed changes in writing. If NPI does not accept Customer's proposed changes, the Terms herein shall control the purchase of any Deliverables from NPI.
2. Payment Terms: Amounts due for Deliverables are due Net-30 days from date shown on NPI's invoice, or as stated within a signed proposal or Contract. For Deliverables on back order, all payments are due Net-45 days from the date shown on invoice, unless otherwise stated within a signed proposal or Contract. Deliverables on back order may be invoiced separately. Where applicable, sales and/or use taxes shall be invoiced to Customer and upon collection shall be remitted to the proper taxing jurisdiction by NPI. Undisputed amounts owed to NPI by Customer shall be paid without set-off for any amount which Customer may claim is owed by NPI and regardless of any other controversies which may exist. NPI reserves the right at any time to require full or partial payment in advance, or to revoke any credit previously extended, if, in NPI's reasonable judgment, Customer's financial condition does not warrant proceeding with the Terms specified.
3. Terms to Purchase, Price, and Payment. Customer agrees to purchase from NPI and NPI agrees to sell to Customer Deliverables on the Terms of any Contract entered, including this Agreement. The pricing, scope of work, terms, and details of project within a Contract shall be made part of this Agreement. In case of any conflict between the Terms within this Agreement and the terms of a Contract, the Contract terms will control. Descriptions and prices of the goods, services, installation, software, surcharges, maintenance, and



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administration, for the purchase and sale of the Deliverables are set forth in NPI's Contract.

i) all dollar amounts are in United States currency; and

ii) invoice errors shall not be construed as NPI's waiving the agreed upon price and Terms.

4. **Failure to Pay.** In the event Customer fails to pay any amounts when due under this Agreement or Contract and does not pay any outstanding invoice for amounts due, Customer shall be liable to NPI for (i) losses incurred by NPI for finance charges, shipping delays, or lost profits proximately caused by the delay, (ii) reasonable storage charges for works in process or finished Deliverables, whether for storage at a third party's location or at NPI premises, (iii) interest on the delinquent principal amount at the lesser of 8% per annum compounded monthly, or the highest rate allowed by applicable law, (iv) NPI's attorney fees and expenses incurred in enforcing NPI's rights under this Agreement; and (v) any other reasonable costs incurred by NPI to collect delinquent payments. NPI reserves the right to stop all work related to Customer or the Deliverables until Customer has paid all outstanding balances in full.

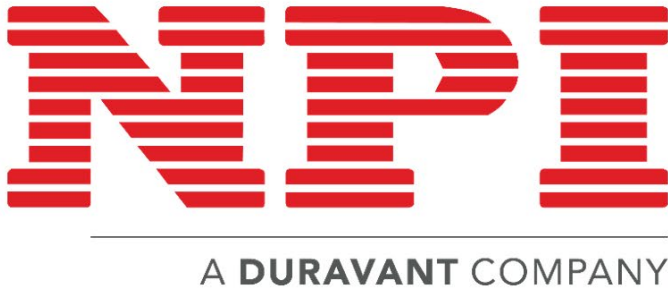
5. **Security Agreement.** To secure Customer's prompt and complete payment and performance under this Agreement, Customer hereby grants NPI a first-priority purchase money security interest with priority over all other liens, claims, and encumbrances in all Deliverables, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. NPI may file a financing statement for such security interest, and

Customer authorizes NPI to execute, on Customer's behalf, such statements or other documentation reasonably necessary to perfect NPI's security interest.

6. **Delivery:** All Deliverables furnished hereunder will be shipped under Incoterms EX-WORKS (EXW) from: 14901 Trinity Boulevard, Fort Worth, Tarrant County, Texas 76155 or an affiliated location. Shipping charges incurred shall be added to the invoice. NPI shall determine the best method for shipment of the Deliverables. NPI will not assume any liability in connection with shipment nor deem any common carrier as its agent.

7. **Shipping Schedule:** All shipping dates are tentative. NPI reserves the right to ship Deliverables up to thirty (30) days in advance of original shipping date, unless a revised shipping schedule is agreed to by the Parties in writing. NPI will ship the Deliverables in accordance with the shipping instructions and freight Terms outlined in this Agreement.

8. **Limited Product Warranty:** Subject to the exclusions and limitations below, NPI warrants to Customer that NPI Deliverables are warranted free from manufacturing and material defects for a period of one (1) year from the date of shipment. Any Deliverables purchased from NPI that have manufacturing or material defects during the one (1) year term will be repaired or replaced at NPI's discretion at NPI's facility. Claims by Customer with regard to any alleged defect in the Deliverables must be made with full particulars within the first 12-months after shipment of the Deliverables. With any allowed defect claim, NPI will either replace the affected Deliverables or repair the defect. Deliverables should not be returned without the consent of NPI to include a valid Return Merchandise Authorization. In the event a Deliverable is found to be covered under Warranty, NPI shall be responsible for related shipping costs.



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This Limited Product Warranty expressly set forth in Section 8 is NPI's sole Limited Product Warranty with respect to purchased Deliverables and Services. **NPI MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED; AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEED THE AFOREMENTIONED OBLIGATION ARE THEREBY DISCLAIMED BY NPI AND EXCLUDED FROM THIS AGREEMENT.** In no event shall NPI be responsible for damages including, but not limited to, consequential damages, liquidated damages or lost profits of any nature whatsoever.

a) Title to Hardware. NPI will convey good and valid title to the hardware components of all Deliverables to Customer, free and clear of all encumbrances and liens of any kind, except for the security interest granted to NPI in the subsection of this Agreement entitled "Security Agreement."

b) License of Software. NPI warrants that it has the right to license the software components of all Deliverables to Customer on the Terms provided herein. NPI warrants that the Software, when delivered, will conform to NPI's current published program specifications.

c) Performance. For the following time periods, NPI Deliverable parts shall substantially conform to the written performance specifications and shall be free from manufacturing defects that materially impair the performance capability of the Deliverables:

i) Parts. New Parts have a limited one (1) year warranty beginning on (i) the delivery date of parts to Customer; or for parts incorporated into an NPI system or equipment, the limited one (1) year

warranty begins at the time Deliverable(s) transfer to Customer.

ii) Labor and Software. Labor and software have a limited ninety (90) day warranty beginning after title to the particular Deliverable transfers to Customer.

d) Exclusions. The Limited Product Warranty does not cover normal wear and tear parts or any consumables such as, without limitation: belts, shoes, light bulbs, ink rollers, lamps, fuses, relays or other expendable component Deliverables.

e) Non-Transferrable. The Limited Product Warranty applies only to the Customer or the End-User and is not transferrable.

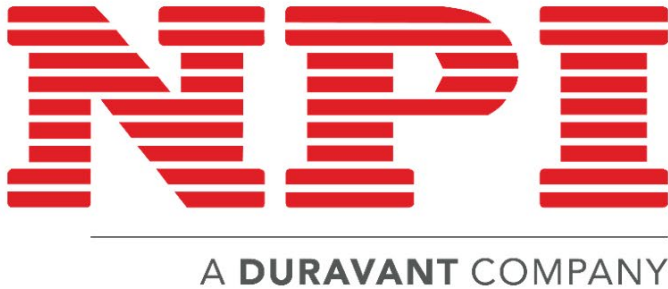
f) Void Warranty. The Limited Product Warranty will be void as to any Deliverable that:

i) has been subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions, or use contrary to any instructions issued by NPI;

ii) has been installed, de-installed, reinstalled, reconstructed, repaired, or altered by a person other than NPI without NPI's written approval; or

iii) has been used with any third-party product or hardware that has not been approved in writing by NPI.

9. Assertion of Warranty Claims. Customer's remedy for any Limited Product Warranty claim is conditioned upon Customer giving NPI notice of any defect within fourteen (14) days from the date Customer discovers, or upon reasonable inspection should have discovered, such defect (but in any event before the expiration of



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the applicable Warranty Period). Such notice must specify the particular Deliverable involved and describe the alleged nonconformity or defect in full detail. Customer shall preserve all defective parts for inspection and shall cooperate fully with NPI and its representatives and subcontractors to allow them to investigate and resolve the Limited Product Warranty claim.

10. Remedy for Limited Product Warranty Claims.

Notwithstanding any other provision of this Agreement, Customer's exclusive remedy for any Limited Product Warranty claim is that NPI shall, in its sole discretion and at its sole expense, repair or replace the nonconforming or defective Deliverable. NPI reserves the right to replace defective parts with parts that are not identical to the original parts with such replacement parts being of equal or higher quality than the original part and shall not degrade the life or performance of the Deliverables. If NPI elects to replace a Deliverable rather than repair it, NPI will ship to Customer, at Customer's expense and risk of loss, the replacement Deliverable to the location designated by Customer. The Limited Product Warranty does not cover costs to de-install or reinstall any Deliverables or any costs incurred by Customer for repairs, attempted repairs, or replacement of the Deliverable. Customer has no right to return for repair, replacement, credit or refund any Deliverable except as set forth in this subsection. THIS SUBSECTION SETS FORTH CUSTOMER'S SOLE REMEDY AND NPI'S COMPLETE LIABILITY FOR ANY BREACH OF THE LIMITED PRODUCT WARRANTY.

11. Return of Defective Parts or Deliverables. If NPI replaces a defective part or Deliverable under the Limited Product Warranty, NPI shall have the right to keep the defective part or Deliverable, and upon NPI's request, Customer shall ship (at NPI's expense and risk

of loss) the defective part or Deliverable to a location specified by NPI.

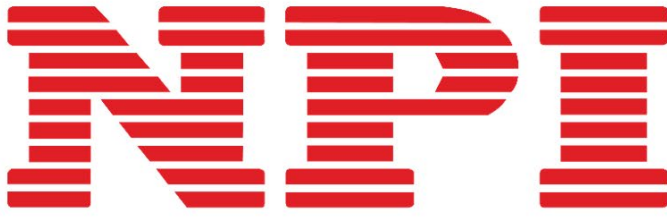
12. DISCLAIMER OF OTHER REPRESENTATIONS AND WARRANTIES; NON-RELIANCE. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT (A) NEITHER NPI NOR ANY PERSON ON NPI'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXCLUDED AND DISCLAIMED, (B) ALL IMPLIED WARRANTIES ARE EXCLUDED AND DISCLAIMED, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND (C) CUSTOMER ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY NPI, OR ANY OTHER PERSON ON NPI'S BEHALF, EXCEPT AS SPECIFICALLY STATED IN THIS AGREEMENT.

13. Transfer of Title and Risk of Loss. Title and risk of loss to each Deliverable will transfer to Customer upon NPI's release of the Deliverable to Customer or Customer's carrier at 14901 Trinity Boulevard, Fort Worth, Texas (or any other location within the continental United States designated by NPI).

14. Software and Associated Licenses: With respect to any software offered by NPI and purchased hereunder, the Terms contained herein shall apply.

NPI grants and Customer accepts a non-exclusive and non-transferable license to use all software furnished with the Deliverables (the "Software") on the Terms set forth in this Paragraph 14 for as long as Customer uses the Deliverables.





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a) Title and Ownership; Sublicensing. Customer will not acquire any ownership interest in any of the Software by virtue of this Agreement or Customer's purchase or use of the Deliverables. Customer shall not sublicense Software to any third party.

b) Software Use and Location. The Software is licensed to Customer for use on only the Deliverables installed and operating at one or more facilities under Customer control ("Site(s)"). Customer may not change the location wherein the Software is intended to be used without first giving notice thereof to NPI. Customer may not use the Software on any equipment other than the Deliverables without the prior written consent of NPI.

c) License Fees. The fees for the Software license provided in this Agreement are included in the price of the Deliverables and payment thereof shall constitute full and complete payment of all license rights granted in this Agreement.

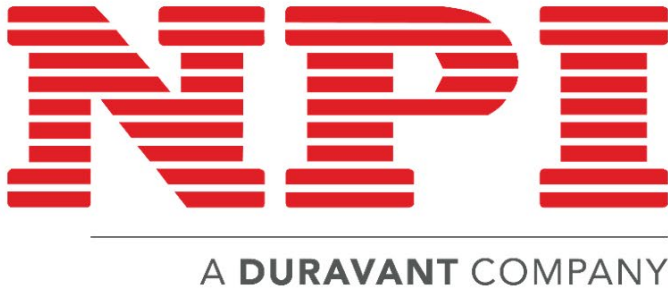
d) Annual Software Maintenance Fee. Separate and apart from the purchase prices for the Deliverables, Customer shall pay NPI an annual software maintenance fee beginning on the date title for Deliverables transfers to Customer and shall continue until Customer permanently ceases using the Deliverables (the "ASM"). ASM fees will be due January 1 of each year, and a pro-rated ASM fee will be due on the date title to the Deliverables transfers to Customer to cover the remaining number of months in that calendar year. The current ASM fee shall be outlined in NPI's Contract, is due on an annual basis, and may be increased effective January 1 of each year thereafter. NPI will not refund any part of ASM should Customer cease using Deliverables before the following January 1 ASM annual renewal. NPI will invoice Customer for all ASM due,

including any initial pro-rated ASM following title to Deliverables transferring to Customer.

e) Reproduction or Copying of Software. Customer may make only that number of copies of the Software necessary to effectively use, maintain, and repair the Deliverables. Customer is entitled to make an additional copy of the Software at each Customer Site for back up, and to keep such back-up copy at a location other than at such Site. Customer agrees to include any NPI copyright notices and other legends both in and on every copy of the Software, regardless of form, including back-up copies of the Software.

f) Restrictions on Access. Customer agrees not to provide or otherwise make available the Software, in whole or in part, in any form, to any person other than employees, subcontractors, and agents of Customer to the extent necessary for Customer's use, maintenance, and repair of the Deliverables without NPI's prior written consent. Customer agrees to take appropriate action by instruction, agreement, or otherwise with Customer's employees, subcontractors, and agents, other persons permitted access to the Software to satisfy their respective obligations under this Agreement with respect to using, copying, modifying, protecting, and securing the Software; however, Customer shall have no such obligation with respect to any of NPI's employees, subcontractors, or agents.

15. Performance: Where Deliverable productivity figures have been stated or implied it is understood by the Parties to be estimates only, based on field and application data available to NPI at the time of quotation and planning, and are not guaranteed or warranted by NPI since they are contingent upon internal processes of Customer, or other factors beyond the control of NPI.

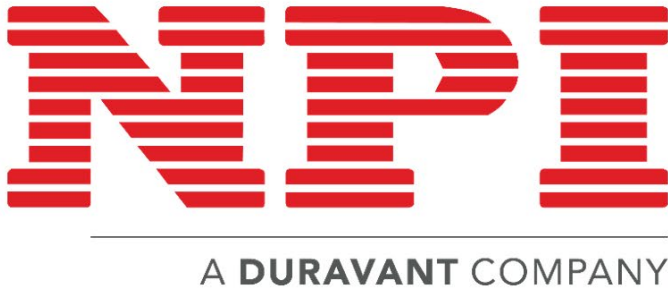


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Any alterations, additions, changes or improper use or care of the Deliverables by Customer will void the above stated Limited Product Warranty provisions herein. Subsequent service for loaned or purchased Deliverables, if desired by Customer after the warranty, may be available in accordance with one of NPI's Maintenance, Service, On-Site, or Phone Support Service Plans.

16. Acceptance- Products or Services: Customer shall carry out acceptance of the Deliverables within a period of two (2) weeks following installation of the Deliverables, or for non NPI installed Deliverables, acceptance by Customer shall be considered at the time of delivery of Deliverables and upon completion of the Services rendered. If the Customer fails to accept Deliverables within the aforesaid time-period, the Parties agree that acceptance has been made. Acceptance may not be withheld, and the Deliverables and Services may not be rejected due to insubstantial nonconformity.
17. GENERAL INDEMNITY: TO THE FULLEST EXTENT PERMITTED BY LAW, CUSTOMER AGREES TO INDEMNIFY, DEFEND, PROTECT, RELEASE AND HOLD HARMLESS NPI AND ITS RESPECTIVE PARENT AND AFFILIATE COMPANIES PARTNERS, SUCCESSORS, ASSIGNS, LEGAL REPRESENTATIVES, OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, EMPLOYEES AND INSURERS (COLLECTIVELY 'INDEMNITEE'), FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON, OR FOR LOSS OR DAMAGE TO ANY PROPERTY (INCLUDING WITHOUT LIMITATION, CLAIMS FOR POLLUTION AND ENVIRONMENTAL DAMAGE), AND ANY CIVIL OR CRIMINAL FINES OR PENALTIES, ARISING IN FAVOR OF

ANY THIRD PARTY OR GOVERNMENTAL AGENCY OR ENTITY, OR ANY INDEMNITEE AND THEIR EMPLOYEES' REPRESENTATIVES AND BENEFICIARIES, IN CONNECTION WITH OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, OR IN ANY WAY INCIDENTAL TO THE PERFORMANCE OF THIS AGREEMENT OR THE DELIVERABLES, PRODUCTS, AND SERVICES PROVIDED HEREUNDER (COLLECTIVELY 'LIABILITIES'). IT IS THE INTENTION OF NPI AND CUSTOMER THAT SUCH INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LIABILITIES ARISE IN WHOLE OR IN PART FROM THE ACTUAL OR ALLEGED COMPARATIVE, CONCURRENT, ACTIVE, PASSIVE, OR CONTRIBUTORY NEGLIGENCE OF INDEMNITEE. THIS INDEMNITY INCLUDES CUSTOMER'S AGREEMENT TO PAY ALL COSTS AND EXPENSES OF DEFENSE, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES, INCURRED BY ANY INDEMNITEE. THIS INDEMNITY SHALL APPLY, WITHOUT LIMITATION, TO ANY LIABILITIES IMPOSED ON ANY PARTY INDEMNIFIED HEREUNDER AS A RESULT OF ANY STATUTE, RULE, REGULATION OR THEORY OF STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY. THE OBLIGATION OF INDEMNIFICATION HEREUNDER SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING: (I) LIENS BY THIRD PERSONS AGAINST ANY INDEMNITEE AND THEIR PROPERTY, BECAUSE OF LABOR, SERVICES, MATERIALS, OR ANY OTHER TYPE OF LIEN, FURNISHED TO CUSTOMER, ITS ASSIGNEES, CONTRACTORS OR SUBCONTRACTORS, IN CONNECTION WITH THE PRODUCTS SUPPLIED BY NPI, (II) EXPENSES, CLAIMS, FINES, AND PENALTIES OR OTHER ENFORCEMENT CHARGES, RESULTING FROM THE FAILURE OF CUSTOMER TO ABIDE BY ANY AND ALL VALID AND APPLICABLE LAWS, RULES OR REGULATIONS OF ANY GOVERNMENTAL OR REGULATORY AUTHORITY WITH JURISDICTION. IT IS UNDERSTOOD AND AGREED



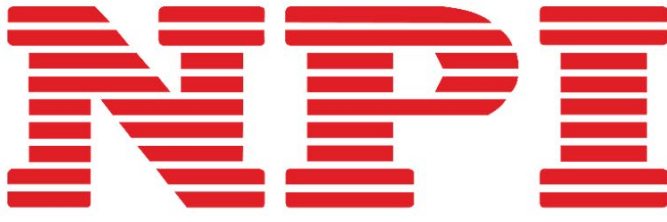
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BY CUSTOMER THAT IN THE EVENT ANY INDEMNITEE IS MADE A DEFENDANT IN ANY SUIT, ACTION OR PROCEEDING FOR WHICH AN INDEMNITEE IS INDEMNIFIED PURSUANT TO THIS AGREEMENT, AND CUSTOMER FAILS OR REFUSES TO ASSUME THE DEFENSE THEREOF, THAT INDEMNITEE MAY COMPROMISE AND SETTLE OR DEFEND ANY SUCH CLAIM, AND CUSTOMER SHALL BE BOUND AND OBLIGATED TO REIMBURSE INDEMNITEE FOR THE AMOUNT EXPENDED BY INDEMNITEE IN SETTLING AND COMPROMISING ANY SUCH CLAIM, OR FOR THE AMOUNT EXPENDED BY INDEMNITEE IN PAYING ANY JUDGMENT RENDERED THEREIN, TOGETHER WITH ALL REASONABLE ATTORNEYS' FEES INCURRED BY INDEMNITEE FOR DEFENSE OR SETTLEMENT OF SUCH CLAIM. ANY JUDGMENT RENDERED AGAINST INDEMNITEE OR AMOUNT EXPENDED BY INDEMNITEE IN COMPROMISING OR SETTLING SUCH CLAIM SHALL BE CONCLUSIVE AS DETERMINING THE AMOUNT FOR WHICH CUSTOMER IS LIABLE TO REIMBURSE SUCH INDEMNITEE HEREUNDER. ALL REPRESENTATIONS, WARRANTIES, INDEMNITIES AND OTHER UNDERTAKINGS OF CUSTOMER AND ALL CLAIMS, RIGHTS AND REMEDIES OF NPI SHALL SURVIVE DELIVERY, PERFORMANCE INSPECTION, TESTING, ACCEPTANCE, USE AND PAYMENT.

It is further agreed to by the Parties with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Agreement, such legal limitations are made a part of the indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of

such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

18. Industrial Safety: Customer agrees to obtain advance written permission from NPI before removing, disabling or modifying supplied safety equipment and markings on the Deliverables. Customer further agrees not to knowingly operate NPI's Deliverables with inoperative, defective or missing safety equipment or markings.
19. Patent Indemnity: NPI warrants that the Deliverables supplied hereunder do not infringe any U.S. patent. No sale of any Deliverables shall be construed as granting to Customer any license or other right in or to any copyright, trademark or other proprietary right applicable to the Deliverables. If Customer alters the Deliverables, which makes the Deliverables subject to an infringement suit or if the Deliverables produced by Customer are subject to an infringement suit or if the Deliverables supplied hereunder are manufactured in accordance with any requirements specified by Customer, this warranty shall not apply. NPI agrees to indemnify, defend, and hold harmless Customer against any liabilities, judgments, awards and costs, including costs of investigation, attorneys' fees, court costs and legal fees and expenses, arising out of or related to any claim that Customer's use or possession of the Deliverables infringes or violates the copyright, trade secret, patent or any other proprietary right of any third party. NPI shall defend and settle at its sole expense all suits or proceedings arising out of the foregoing, provided that Customer gives NPI reasonably prompt notice of any such claim of which it learns. If the Deliverables involved in any infringement claim or action are held to constitute an infringement and the use thereof may be enjoined, NPI shall, at its own expense, use its best efforts to either: (i) procure for



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Customer the right to continue using such Deliverables; or (ii) modify the Deliverables to become non-infringing; or (iii) replace the Deliverables with equally suitable, compatible and functionally equivalent Deliverables. However, NPI's indemnification obligations to Customer shall not exceed the amount paid by Customer to NPI pursuant to this Agreement.

20. Data And Proprietary Rights in Data: NPI normally supplies all necessary data for the proper installation, testing, operation and maintenance of its Deliverables. This data is proprietary in nature and may be so marked or shall be assumed by the Parties that it is proprietary and confidential information of NPI. Customer agrees to hold the data in confidence and shall be liable for all loss or damage incurred by NPI as a result of the improper or unauthorized use of such data. NPI retains for itself all proprietary rights in and to all design, engineering details, and other data pertaining to any Deliverables and to all discoveries, inventions, patent rights, and other intellectual property rights, arising from work done in connection with the Agreement and to any and all Deliverables developed as a result thereof, including the sole right to manufacture and re-sell to third parties' any and all such Deliverables.

21. Proprietary Information, Confidentiality, Advertising: Except as otherwise expressly provided in this Agreement, each Party's rights and obligations with respect to confidential information disclosed to or received from the other Party in connection with this Agreement and the Products is governed by the Mutual Confidentiality, Non-Disclosure, and Non-solicitation Agreement entered between the Parties (the "MNDA"). In case of any conflict between the terms stated in the MNDA and the Terms stated in this Agreement, the terms of this Agreement shall control.

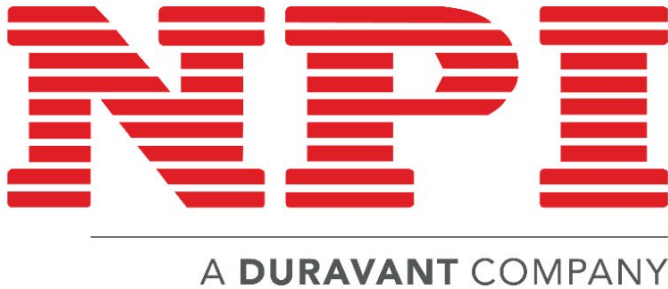
All commercial, financial, or technical information in any form that NPI provides to Customer, or that comes into the possession of Customer, shall be deemed to be proprietary and confidential, and Customer shall not disclose such information to third parties or use such information without the prior written consent of NPI, which NPI may arbitrarily withhold. The restrictions of this paragraph shall also apply to drawings, specifications, or other documents and data prepared in connection with this Agreement.

22. Termination: Purchase orders accepted by NPI cannot be cancelled, deferred nor shall Deliverables be returned without the express consent of NPI and upon certain Terms herein (including any applicable payment to NPI for associated cancellation charges) that will indemnify NPI against all loss including the loss of profit on any part of an order that is cancelled, deferred, or having Deliverables returned. When a return of Deliverables is authorized by NPI and a Return Merchandise Authorization has been granted, shipping and customs clearance charges of said returned Deliverables are to be prepaid by Customer.

NPI shall have the right to suspend or cancel this Agreement at any time upon Customer making an assignment for the benefit of creditors or becoming bankrupt or insolvent, or upon petition being filed in a court of competent jurisdiction proposing the appointment of a receiver, or if Customer is adjudicated as bankrupt or insolvent or reorganized under the provisions of any applicable bankruptcy or insolvency act.

Minimum cancellation charges will be assessed in the following manner:





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Standard Deliverables: Cancellation within 30 days of requested ship date -charges will be 15% of the Purchase Price.

Cancellation greater than 30 days of requested shipping date - cancellation charges may vary.

Systems/Custom Deliverables/Services:

Cancellation charges will be billed at the actual costs incurred at the time of cancellation.

23. Events of Default. Each of the following constitutes an “Event of Default” by a Party under this Agreement:

a) Customer fails to pay any amount when due under this Agreement and fails to cure the breach within seven (7) days after NPI gives Customer notice of the payment default;

b) Either Party breaches its obligations, representations, warranty, or covenant under this Agreement (excluding NPI’s breach of a Limited Product Warranty, which is subject to the specific rights, remedies, and limitations provided in the section of this Agreement entitled “Limited Product Warranty”), breaches the MNDA or any other Contract between the Parties, and either: (i) the breach cannot be cured or, if the breach can be cured, (ii) a Party fails to cure the breach within thirty (30) days after the other Party gives notice of the breach; or

c) Either Party files a voluntary bankruptcy petition, an involuntary bankruptcy petition is filed against the Party and has not been dismissed within sixty (60) days after its filing, a court appoints a receiver for the Party or the property of the Party and such receiver has not been removed or discharged within sixty (60) days from the date of appointment, the Party admits in writing its inability to pay its debts as they come due, or the Party

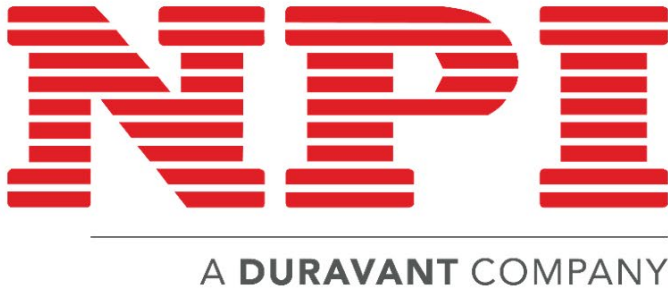
ceases all or substantially all of its normal business operations for a continuous period of more than thirty (30) days.

24. Notices: All notices required or permitted under this Agreement must be given in writing and shall be effective upon receipt. All notices required or permitted under this Agreement to NPI must be given by physical delivery (by hand delivery, United States Postal Service, or other delivery service) to National Presort, LLC, Attn: Brent Daboub at 14901 Trinity Boulevard, Fort Worth, Texas 76155, with a courtesy email copy to [legal@npisorters.com](mailto:legal@npisorters.com) and [charity.deville@npisorters.com](mailto:charity.deville@npisorters.com) (or to such other address that NPI designates in writing to Customer).

25. Software Updates: Software updates may be available, with respect to any of NPI Deliverables that include software purchased hereunder. Terms of a particular purchase, in addition to those contained herein, shall be found in the Contract or other form of agreement.

26. Substitutions and Modifications of Deliverables: NPI may modify certain specifications of Deliverables which are designed by NPI and/or substituted with substantially conforming Deliverables provided the modifications and/or substitutions do not adversely affect the performance of the Deliverables.

27. Force Majeure: A force majeure delay shall mean any delay caused by, but not limited to, an act of God; government action or failure of the government to act; war or acts of the public enemy; strike or other labor trouble; fire; floods; severe weather; riots or other causes beyond the reasonable control of the party affected, provided that any such delay is not caused, in whole or in part, by the acts or omissions of the party so delayed and further if such party is unable to make up for such delay with reasonable diligence and speed. If any such cause delays to NPI's performance, the delivery



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date or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay; however, NPI shall take all reasonable measures to mitigate the effects of the force majeure event and to minimize such delay. Customer may delay delivery or acceptance of the Deliverables and/or Services or performance due to acts of force majeure or other causes beyond its control. NPI shall hold such Deliverables and/or Services at the direction of Customer and shall deliver them when the cause affecting the delay has been removed. Customer shall be responsible for NPI's reasonable additional costs in holding the Deliverables and/or Services or delaying performance under this Agreement.

28. Entire Agreement: This Agreement and any documents referred to herein constitute the entire agreement between the Parties hereto and supersede all prior proposals, negotiations and counterproposals. The Parties intend for this Agreement to be their final expression of agreement and a complete and exclusive statement of the Terms herein. No course of prior dealings between the Parties shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in the course or performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing Party has knowledge of the nature of the performance and opportunity for objection.

29. Assignment: Customer shall not delegate any duties or assign any obligations without NPI's prior written consent, and any such attempted delegation or assignment shall be void.

30. Compliance with Laws: Customer shall carry out the transaction contemplated by this document and shall otherwise deal with the Deliverables purchased in

conformity with all applicable laws, rules, and regulations of all governmental authorities, including, without limitation, the Export Administration Act, and shall obtain all permits and licenses required in connection with the purchase, installation, shipment or use of any of the Deliverables.

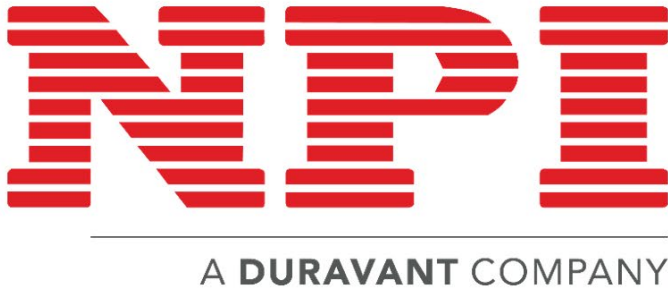
31. Effect of Termination:

a) Rights, Remedies, and Defenses. Upon termination of this Agreement, the Parties shall have all rights, remedies, and defenses allowed under applicable law, subject to the Terms of this Agreement (specifically including, without limitation, all provisions of the section entitled "Limitation of Liability").

b) Undelivered Deliverables. Any termination of this Agreement automatically cancels Deliverables to Customer for which title has not already transferred to Customer on or before the effective date of termination, regardless of whether such Deliverables have been accepted by Customer.

c) Survival of Terms. The sections and subsections of this Agreement entitled or containing Terms related to "Security Agreement," "Confidential Information," "Software License," "Indemnification," "Export Control and Compliance," "Limitation of Liability," "Force Majeure," and "Applicable Law and Venue" shall survive any termination of this Agreement and remain binding upon the Parties notwithstanding termination of this Agreement.

32. Applicable Law and Venue: The validity, construction, and performance of the Terms herein, and any controversy or claim between or among the Parties, including, but not limited to, those arising out of or relating to the Terms, and any claim based on or arising from an alleged tort, shall be governed by, and



# TERMS AND CONDITIONS OF SALE

constructed under the laws of the State of Texas. The Parties agree that the state and federal courts situated in Dallas or Tarrant County, in the State of Texas, shall have exclusive jurisdiction to resolve any disputes with respect to these Terms. Each Party irrevocably agrees to the exclusive jurisdiction and venue for any proceedings, suit or actions.

33. General. This Agreement, together with any Contract including MNDA shall constitute the entire understanding and agreement between the Parties with respect to the Deliverables, and all previous agreements with respect to Deliverables are superseded. This Agreement cannot be altered or modified except in a written document executed and delivered by authorized representatives of both Parties. Any additional or conflicting terms in any marketing materials, estimate, letter of intent, quote, purchase order, invoice, or other written or oral statement by either Party that are not included in this Agreement are deemed rejected and are not part of this Agreement. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such holding shall not affect the enforceability of the remainder of this Agreement, and this Agreement shall be construed as if the invalid provision was never included. No waiver of any provision of this Agreement shall be implied by a Party's continued performance or its failure to enforce any available right or remedy. No express waiver shall affect any provision except the one to which it is specifically applied and only for the specified occasion. Nothing contained in this Agreement will be construed to create any association or brokerage, agency, joint venture, partnership, or employment relationship between the Parties. No third party shall have any right under this Agreement as a third-party beneficiary.

[REMAINDER OF AGREEMENT INTENTIONALLY LEFT  
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