



STANDARD TERMS AND CONDITIONS OF SALE

The terms of sale contained herein apply to all quotations made, purchase orders or agreements entered into and invoices or acknowledgements issued by National Presort, LP ("NPI") to Customer ("Agreement").

Such terms of sale shall take precedence over all Purchase Orders or other related documents in the event of conflicting provisions. Some of the terms contained herein may differ from those in Customer's Purchase Order. NPI objects to any provisions contained in any Purchase Order or other related documents that differ from the terms of sale contained herein. Any changes in the terms contained herein must specifically be agreed to in writing by NPI before becoming binding on either NPI or Customer. All Purchase Orders and other related documents must be approved and accepted by NPI. These terms of sale shall be applicable whether or not they are attached to or enclosed with the Products sold or to be sold hereunder.

DEFINITIONS:

- (a) "Products" shall mean any products, equipment, parts, software and/or services related items to be sold by NPI to Customer identified on the quotation, invoice and/or acknowledgment.
 - (b) "Purchase Order" shall mean a document between Customer and NPI that authorizes the purchase, manufacture and shipment of Products, including all specifications, exhibits, attachments, referenced documents and the Agreement, and including any future amendments.
 - (c) "Services" shall mean those services to be performed by NPI at the request of Customer, in each case as specified or described in the Purchase Order or other related documentation.
 - (d) "NPI" shall mean National Presort, LP, an Oklahoma limited partnership.
 - (e) "Customer" shall mean the person, firm, company or corporation by whom the Purchase Order is given.
1. **ACCEPTANCE -AGREEMENT:** Customer's acceptance of this Agreement is limited to Customer's acceptance of the express terms and conditions contained herein in lieu of those in Customer's Purchase Order or other related documents. If Customer proposes additional or different terms and conditions, then such proposal shall be in writing and will constitute a counter offer that will be effective only if NPI accepts such counter offer in writing. If NPI does not accept Customer's counter offer, the terms of this Agreement shall prevail.
 2. **PRICES:** Prices for NPI's Products shall be in accordance with the standard price list in effect at the time NPI accepts the Purchase Order or as specified on an authorized NPI quotation in force at the time the Purchase Order is placed. All prices are subject to adjustment on account of specification, quantities, shipment arrangements or other terms and conditions which are not part of any original price quotation or standard price. NPI reserves the right to change quotations based on changes to any order. Prices quoted for software are for nonexclusive, nontransferable licenses, subject to the NPI License Agreement, which is a part of NPI's Purchase Agreement with Terms and Conditions of Sale. Prices do not include taxes, freight, duties or any fees related to the order.



3. PAYMENT TERMS: The following terms apply:

PARTS AND SERVICE: All payments for Products and Services are due within 30 days from date of NPI's invoice. For Products that are back ordered, all payments are due Net 45 days from the date of invoice, unless otherwise stated in a Purchase Agreement, Proposal or Quote from NPI. Back ordered Products 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. Amounts owed by Customer with respect to which there is no dispute shall be paid without set-off for any amounts which Customer may claim are 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 on the terms specified. Customer will be liable for any finance charges, shipping delays, attorney fees, including a late payment interest of 6% per annum compounded monthly, or the maximum allowed by law, and any other reasonable costs incurred by NPI to collect due payments on accounts that are past due over 30 days.

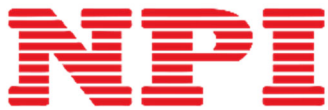
4. DELIVERY: All Products furnished hereunder will be shipped from: 14901 Trinity Boulevard, Fort Worth, Tarrant County, Texas 76155 or affiliated locations. Shipping charges incurred shall be added to the invoice. NPI shall determine the best method for shipment of the Products. NPI will not assume any liability in connection with shipment nor deem any common carrier as its agent.

5. SHIPPING SCHEDULE: All shipping dates are tentative. NPI reserves the right to ship up to thirty (30) days in advance of shipping date, unless a specific shipping schedule is agreed to by the parties in writing. NPI will ship the Products in accordance with the shipping instructions and freight terms outlined in this Agreement.

6. WARRANTY ON PURCHASED ITEMS: With the exception of lamps, belts, fuses, relays and other expendable components, NPI's Products are warranted free from manufacturing and material defects for a period of one (1) year from the date of shipment. Any Products purchased from NPI that have manufacturing or material defects during the one (1) year term will be repaired or replaced at NPI discretion at NPI's facility. Claims by Customer with regard to any alleged defect in the Products must be made with full particulars within one (1) year after shipment of the Products. With any allowed defect claim, NPI will either replace the affected Products or repair the defect. Products should not be returned without the consent of NPI and a valid Return Merchandise Authorization. In the event, the Purchased Item is found to be covered under Warranty, NPI is responsible for shipping related costs.

This warranty expressly set forth in Section 6 is NPI's sole warranty with respect to purchased Products 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.

7. SOFTWARE: With respect to any of NPI's software purchased hereunder, the terms of purchase, in addition to those contained herein, shall be found in Customer's Purchase Agreement with Terms and Conditions of Sale.

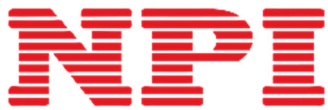


8. **PERFORMANCE:** Where system productivity figures have been stated or implied they are understood to be estimates based on field and application data available to NPI at the time and are not guaranteed or warranted by NPI since they are contingent on the internal processes of Customer, or other factors beyond the control of NPI. Any alterations, additions, changes or improper use or care of the Products by Customer will void the above stated warranty provisions. Subsequent service for loaned or purchased Products, 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.
9. **ACCEPTANCE- PRODUCTS OR SERVICES:** Customer shall carry out acceptance within a period of two (2) weeks upon completion of the Products, upon the delivery of the Products and/or upon completion of the Services rendered. If the Customer fails to accept within the aforesaid period, acceptance shall be deemed granted. Acceptance may not be withheld and the Products and Services may not be rejected due to insubstantial nonconformity.
10. **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 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 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. (II) is agreed 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.

11. **INDUSTRIAL SAFETY:** Customer agrees to obtain advance written permission from NPI before removing, disabling or modifying supplied safety equipment and markings on the Products. Customer further agrees not to knowingly operate NPI's Products with inoperative, defective or missing safety equipment or markings.
12. **PATENT INDEMNITY:** NPI warrants that the Products supplied hereunder do not infringe any U.S. patent. No sale of any Products 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 Products. If Customer alters the Products, which makes the Products subject to an infringement suit or if the Products produced by Customer are subject to an infringement suit or if the Products 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 Products 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 Products 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 Customer the right to continue using such Products; or (ii) modify the Products to become non-infringing; or (iii) replace the Products with equally suitable, compatible and functionally equivalent Products. However, NPI's indemnification obligations to Customer shall not exceed the amount paid by Customer to NPI pursuant to this Agreement.
13. **DATA AND PROPRIETARY RIGHTS IN DATA:** NPI normally supplies all necessary data for the proper installation, testing, operation and maintenance of its Products. This data is proprietary in nature and may be so marked. 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 Products 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 Products developed as a result thereof, including the sole right to manufacture and re-sell to third parties' any and all such Products.

14. PROPRIETARY INFORMATION · CONFIDENTIALITY - ADVERTISING: All commercial, financial, 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.

15. CANCELLATION: Orders accepted by NPI cannot be cancelled, deferred or Products returned except with the consent of NPI and upon terms (including payment to NPI of a cancellation charge) that will indemnify NPI against all loss including the loss of profit on any part of the order that is cancelled, deferred or Products returned. When a return of Products is authorized by NPI and a Return Merchandise Authorization has been granted, shipping and customs clearance charges of said returned Products 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:

Standard Products: 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 Products/

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

16. SOFTWARE UPDATES: Software updates may be available, With respect to any of NPI's software purchased hereunder, the terms of purchase, in addition to those contained herein, shall be found in Customer's Purchase Agreement with Terms and Conditions of Sale.

17. SECURITY INTEREST: NPI reserves and Customer grants to NPI a security interest in all Products sold and all proceeds therefrom to secure the full payment and performance by Customer of its liabilities and obligations to NPI. Customer acknowledges that this Agreement may be filed with the appropriate authorities as a financing statement and agrees to execute and deliver such other documents as NPI may request in order to perfect NPI's security interest.

18. SUBSTITUTIONS AND MODIFICATIONS OF PRODUCTS: NPI may modify the specifications of Products designed by NPI and/or substitute substantially conforming Products provided the modifications and/or substitutions do not adversely affect the performance of these products.



19. **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 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 Products and/or Services or performance due to acts of force majeure or other causes beyond its control. NPI shall hold such Products 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 Products and/or Services or delaying performance under this Agreement.
20. **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 this Agreement as a final expression of their agreement and as a complete and exclusive statement of the terms and conditions thereof. 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.
21. **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.
22. **COMPLIANCE WITH LAWS:** Customer shall carry out the transaction contemplated by this document and shall otherwise deal with the Products 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 Products.
23. **APPLICABLE LAW AND VENUE:** The validity, construction and performance of this Terms and any controversy or claim between or among the parties, including, but not limited to, those arising out of or relating to this Terms, and any claim based on or arising from an alleged tort, shall be governed by, and 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 this Terms. Each Party irrevocably agrees to the aforementioned exclusive jurisdiction and venue for any proceedings, suit or actions.