

TERMS OF AGREEMENT

We make the following agreements with YOU for the Term – an Initial Term (commencing on the Installation Date) and for any Renewal Term under the plan you selected above:

1. WE WILL:

- a) Rent to you furnish, and install the above listed meters and/or equipment ("Equipment") at your installation address, in good working order and ready to use.
- b) Maintain the Postage Meter only in proper operating condition by repair or replacement of non-consumable parts. **WARRANTY AND REMEDY LIMITATION: NO OTHER WARRANTY APPLIES TO THE EQUIPMENT, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY; WE DO NOT ASSUME RESPONSIBILITY FOR ANY DAMAGES YOU MAY INCUR IF THE EQUIPMENT DOES NOT OPERATE, INCLUDING INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.**
- c) Start the initial term after any trial period, free period or delay billing period which we have agreed to.

2. YOU WILL:

- a) Pay us at our main address stated above on the Installation Date the Installation Fee and the advance rental payment under the payment plan you selected above and afterwards, the advance periodic rental payments required under the payment plan you selected above: for any taxes or periodic rental payments required under the payment plan you selected above: for any taxes or other governmental charges incurred for the rental, installation, maintenance agreement, or use of the Equipment, unless expressly provided otherwise by law; and for the parts, supplies, and labor for replacement of any consumable parts and supplies (examples: inking units, ink, tape, sponges, brushes for the sealer or moisteners, rollers, felt ink rollers, rubber belts) and you agree to automatic shipment and payment of EPROMS, ezcards etc. for updating rate calculating software. You will audit and confirm any rates programmed in EPROMS, EZCARDS etc. before live use; using these rates confirms your audit and acceptance of the rates programmed. You will pay our local agent, instead of us, for installation, parts, and services which that agent performs.
- b) Use reasonable care in handling and operating of the Equipment, use the Equipment only for business purposes and be fully responsible for any loss or damage to the Equipment, including provision for proper insurance coverage.
- c) Not use special attachments, printing plates, other devices, or supplies with the Equipment unless we supply them or specify them in writing.
- d) Use postage meters only for postage imprinting and recording purposes. Tampering with or misuse of, the postage meter is punishable under Postal Laws and Regulations.
- e) Allow us to inspect the Equipment upon reasonable notice weekdays from 8:00 a.m to 5:00 p.m.
- f) Notify us of any change in location of the Equipment and reimburse us for any reasonable cost incurred by us as a result of that change.
- g) Deliver the Equipment to Francotyp-Postalia Canada's main head office at the termination of this Agreement in good condition, normal wear and tear excepted, or when authorized to return equipment.

3. GENERAL PROVISIONS:

- a) Regarding the Equipment: you acknowledge our exclusive ownership, and that you have no rights except for use for the Term.
- b) This Agreement is the entire agreement between you and us; supersedes any prior understandings or writings; may be amended only by a signed written agreement between you and us and is subject to written final acceptance by the President of Francotyp-Postalia at our main office.
- c) Notices must be in writing and are given when sent by mail to your or our main office, or to another address of which you or we later give notice.
- d) Cancellation or termination of this Agreement terminates any Post Office licenses for postage meters.
- e) We may assign our rights (but not our obligations) in this Agreement, but you cannot assign your rights, without prior written consent.

4. IF CLAIMS OR DISPUTE BETWEEN YOU AND US SHOULD ARISE:

- a) If you fail to pay rent or other amounts due to us on the date due, or if any legal action commences which may result in another's taking of the Equipment: we can terminate this Agreement, without notice or legal action, and you will allow us to enter the location of the Equipment and to repossess it; and you will pay us accrued rent up to the repossession date or the current term expiration date, whichever comes later, and a delinquency charge of 1.5% per cent (but not in excess of the lawful maximum) on any unpaid amounts until paid.
- b) For any other claims which you or we have against each other under this agreement, written notice specifying the claim must be given to the other, and the other will have the right to resolve the claim within 10 business days before legal action is taken.
- c) You and we agree that any legal actions will be taken only before the proper court in York Region or Metro Toronto, Ontario. This Agreement shall be interpreted and enforced in accordance with the international laws (except for conflicts of law provisions) of Ontario. If a legal action occurs between you and us, the prevailing company will receive payment for reasonable attorney's fees, court cost, and expenses.

5. CANADA POST AND OTHER REQUIREMENTS

By requirement of Canada Post Corporation, the meter must remain the property of Francotyp-Postalia and may only be used on Francotyp-Postalia mailing machines upon issuance and continuance of a meter license by Canada Post Corporation. **THE METER MAY BE USED FOR POSTAGE IMPRINTING AND RECORDING PURPOSES ONLY. THE RENTER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF PARAGRAPHS 1 TO 17 BELOW ARE INCLUDED AND FORM PART OF THIS AGREEMENT DUE TO THE REQUIREMENTS OF CANADA POST CORPORATION.**

1. Renter agrees that:

- a) The renter appoints Francotyp-Postalia a trustee, holding for the benefit of Canada Post Corporation (the "Corporation") of the covenants of Renter referred to in paragraph 2 to 17 below which are expressed to be in favour of the Corporation (collectively, the "Lease Agreement Trust Covenants")
- b) Francotyp-Postalia hereby accepts such trust and agree to enforce the Lease Agreement Trust Covenants for the benefits of the Corporation at Francotyp-Postalia's own expense; and
- c) The Corporation may enforce the Lease Agreement Trust Covenants directly against Renter at Francotyp-Postalia's expense if Francotyp-Postalia fails to enforce such covenants for the benefits of the Corporation in a manner and at times and at a time or times satisfactory to the Corporation.

2. Francotyp-Postalia and Renter agree in favor of the Corporation that:

- a) The Corporation shall have no obligations or liability to Francotyp-Postalia or Renter under this agreement.
- b) The Lease Agreement Trust Covenants shall be enforceable for the benefit of the Corporation at all times, whether or not Francotyp-Postalia is in default of any provision of this Agreement and without set-off against, or any reduction or defense on account of any claims which Renter may have against Francotyp-Postalia; and
- c) none of the provisions contained in paragraph 1 above and this paragraph 2, and none of the lease Agreement Trust Covenants may be amended, waived or released without the consent in writing of the Corporation

3. Renter agrees that, in addition to and without affecting the rights created by the provisions of paragraphs 1 and 2 above, each of the Lease Agreement Trust Covenants is intended to be in favor of Francotyp-Postalia and Francotyp-Postalia is entitled to enforce each of the Lease Agreement Trust Covenants for its own benefit.

4. Each of Francotyp-Postalia and the Corporation may inspect the meter at any reasonable time on Renter's premises.

5. Renter shall take meter to one of the Corporation's offices or elsewhere, as set out in the notice, for inspection, if the Corporation or Francotyp-Postalia gives renter notice requiring the Renter to do so.

6. Each of Francotyp-Postalia and the Corporation has the right to remove any meter from Renter's premises.

7. Renter shall not move the meter from Premises on which it was installed to other premises (except as required to carry out its obligations under this Agreement) without the written approval of Francotyp-Postalia.

8. Each of Francotyp-Postalia and the Corporation has the right to enter, without legal process, upon premises where a meter or any part of a meter may be located (or where Francotyp-Postalia or the Corporation has reasonable grounds for believing such may be located), for purpose of repossessing the meter or parts of the meter.

9. Renter hereby acknowledges that property in the Postage Indicia Impression Die rest solely in the Corporation.

10. Renter agrees that this Agreement and Renter's use of the meter are subject to the Canada Post Corporation Act and the regulations under that Act including but not limited to, the postage Meter Regulations.

11. Renter hereby acknowledges that it may be charged transaction fees, which fees may be amended from time to time, for any service provided by Francotyp-Postalia or the Corporation with respect to the administration of a meter.

12. Renter shall not assign or transfer this Agreement.

13. Renter agrees to pay for postage to be set in a meter in accordance with the procedure set out in agreements which Francotyp-Postalia may have with the Corporation from time to time.

14. Renter hereby permits Francotyp-Postalia to correct any oversetting of a meter set by Francotyp-Postalia's electronic postage setting system.

15. The right under this agreement which are granted to Renters are non-assignable and do not extend to affiliates of Renter or to any third parties.

16. Each of Francotyp-Postalia and the Corporation (through their respective authorized representatives including but not limited to their internal auditors or external auditors engaged by them) has the right to audit Renter's mail preparation process and to audit Renter to determine compliance by Renter with its obligations under this Agreement. The Renter shall provide Francotyp-Postalia and the Corporation with such records, reports and access to premises as Francotyp-Postalia or the Corporation may reasonably request for the purposes of conducting such an audit. For these purposes, each of Francotyp-Postalia and the Corporation shall have access to and may examine, audit and take copies and extracts from all records including but not limited to all activity logs, books of account, vouchers, cheques, papers, certificates, licenses and other documents that relate to this Agreement.

17. Effective upon notice to Renter from Francotyp-Postalia or the Corporation, this Agreement shall be deemed to contain any other provisions necessary in order to put this Agreement within the scope of what is allowed and required under Francotyp-Postalia's agreement with the Corporation from time to time, the Canada Post Corporation Act, the Regulations under that Act and any other requirements of Francotyp-Postalia or the Corporation as are required to give effect to Francotyp-Postalia's agreements with the Corporation from time to time.

6. TELESET- ELECTRONIC POSTAGE SETTING SERVICE (EPSS)

Francotyp-Postalia will maintain a trust account with a Canadian chartered bank, designated by Francotyp-Postalia, for all deposits of funds designated as payments of postage for Francotyp-Postalia's electronic postage setting system ("EPSS"). Renter shall not be entitled to interest or any other income earned on such trust funds, which trust funds may, in the sole discretion of Francotyp-Postalia, be invested in Government of Canada treasury bills or other like instruments. Before any resetting transaction can be completed, Francotyp-Postalia will verify the information provided by the Renter and the Renter must have at least the amount of reset increment in its account. Francotyp-Postalia will be under no obligation to fill postage in the event that Renter has not paid its meter rental or is otherwise in breach of this Agreement.

7. TRANSFER OF FUNDS AND CHARGES

There will be a transaction charge for each completed reset transaction, Francotyp-Postalia, shall have no obligation to complete any resetting transaction unless the following amounts have been previously deposited into the trust account by Renter, and Francotyp-Postalia at its sole discretion shall be entitled to deduct and keep the following amounts from the Renter's trust funds at any time:

- a. the amount of the reset increment;
- b. any service charges associated with deposits of cheques (or rejection) as per published prices;
- c. any charges established by Canada Post Corporation from time to time;
- d. applicable goods and services and other taxes on the foregoing items;
- e. any past or future due amount owing to Francotyp-Postalia,

Renter agrees that its participation in EPSS is subject to Francotyp-Postalia's, policies in effect from time to time for all users and are subject to change without notice.

8. REFUNDS

If Renter discontinues EPSS meter rental and upon written request to Francotyp-Postalia, Renter may be refunded any unused amounts in only the postage account less any amounts owing by Renter to Francotyp-Postalia under this Agreement or under any other agreement between Renter and Francotyp-Postalia (which amounts shall belong to Francotyp-Postalia and include any amounts owing to Francotyp-Postalia on account of Renter's breach of this Agreement) within sixty (60) days of receipt of such request.

9. TAXES

Any and all taxes, licences, permits or other governmental charges with respect to postage and the leasing and installation of the meter shall be paid by Renter, unless expressly otherwise prescribed by law.

10. Reset charge of \$8.50 to download postage funds into the meter.