

BLACKLINE SAFETY AWS MARKETPLACE LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made as of this ____ day of _____, 2021 between Blackline Safety Corp. ("Blackline"), a business incorporated pursuant to the laws of the Province of Alberta having its principle place of business at Unit 100, 803 24 Ave. SE, Calgary, Alberta, Canada and [LEGAL ENTITY NAME], a business incorporated pursuant to the laws of [COUNTRY/STATE/PROVINCE] having its principle place of business at [PRIMARY BUSINESS ADDRESS] ("Lessee").

Blackline and Lessee may be referred to individually as a "Party" or together as the "Parties".

RECITALS:

WHEREAS, Lessee desires to lease certain equipment named and identified in Appendix A (the "Equipment") from Blackline, and Blackline desires to lease same to Lessee; and

WHEREAS, Blackline agrees to lease to Lessee, and Lessee agrees to lease from Blackline the Equipment pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the promises of the Parties and the other good and valuable consideration, the receipt and sufficiency of which each Party acknowledges, the Parties hereby agree as follows:

1 DEFINITIONS

- (a) **"Agreement"** means this Lease Agreement including any recitals hereto, as amended, supplemented or restated from time to time;
- (b) **"ADRIA"** shall have the meaning set forth in paragraph 15.5;
- (c) **"Affiliates"** in relation to any Person, mean any other Person that directly or indirectly controls, or is controlled by, or is under common control with, such Person and for these purposes: (i) two Persons will be considered to be affiliated with one another if one of them controls the other, or if both of them are controlled by the same Person; and (ii) one Person will be considered to control another Person if it has the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or otherwise;
- (d) **"Business Days"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta, or any day on which commercial banks are open for business in the Province of Alberta;
- (e) **"Casualty Event"** shall have the meaning set forth in paragraph 11.1;
- (f) **"Claim"** shall have the meaning set forth in paragraph 10.1;
- (g) **"Credit Application"** shall have the meaning set forth in paragraph 4.1;

- (h) **"Dispute"** shall have the meaning set forth in paragraph 15.5;
- (i) **"Equipment"** shall mean the Blackline equipment listed in Appendix A and includes all monitors, docks, substitutions, replacements or renewals of such equipment and related accessories;
- (j) **"Event of Default"** shall have the meaning set forth in paragraph 14.1;
- (k) **"Force Majeure Event"** shall have the meaning set forth in paragraph 15.9;
- (l) **"Indemnified Parties"** shall have the meaning set forth in paragraph 10.1;
- (m) **"Indemnifying Party"** shall have the meaning set forth in paragraph 10.1;
- (n) **"Losses"** shall have the meaning set forth in paragraph 10.1;
- (o) **"Person"** includes an individual, partnership, unincorporated association, organization, syndicate, corporation, trust and trustee, executor, administrator or other legal or personal representative and any governmental authority;
- (p) **"Personal Information"** shall have the meaning set forth in paragraph 7.1;
- (q) **"Rate"** shall have the meaning set forth in paragraph 3.1;
- (r) **"Services"** means Blackline's software services, which are provided by Blackline and refer to any and all services listed in Schedule A;
- (s) **"Term"** shall have the meaning set forth in paragraph 2.1; and
- (t) **"Total Rate"** means the total rate for all the Equipment for the entire Term.

2 TERM AND TERMINATION

- 2.1 *Term.* The term of this Agreement shall commence on the sooner of the date of shipment of Equipment and the activation of Services and continue for a period of forty-eight (48) months ("Term").
- 2.2 *Renewal.* Lessee may renew this Agreement for an additional term by providing ninety (90) days written notice to Blackline. Upon renewal either Lessee or Blackline may opt to swap out the existing Equipment for new equivalent units. If either party opts to swap the Equipment the two entities will work together to find a mutually agreeable time frame to complete the swap so as to be as non-intrusive as possible to both Parties. Repair and maintenance service will still be provided for the entire new term regardless of whether one of the Parties opts to swap out the Equipment or if the previous Equipment will continue to be used for the new term. If no notice is provided by Lessee, the Agreement shall automatically renew on a month to month basis using the Equipment currently deployed until written cancellation notice is provided to Blackline by Lessee.
- 2.3 *Early Termination.* Lessee may terminate this Agreement at its own discretion by providing thirty (30) days prior written notice to Blackline. Upon such termination Lessee shall (a) return all Equipment and (b) pay the remaining value of the Agreement within thirty (30) days of such early termination notice.

3 PAYMENT TERMS

- 3.1 *The Rate.* Lessee shall pay the rate for all units of Equipment delivered to the Lessee for each month ("Rate"), on a pro-rated basis for the entire Term in accordance with the following:
- (a) The Rate shall not be subject to any deductions on account of any non-working time in the month. The amounts payable for any fraction of a month at the beginning or end of the Term shall be the Rate, prorated according to the number of calendar days in such fraction;
 - (b) The Rate is a fee for each month regardless of the number of working or calendar days in each month; and
 - (c) The Rate shall be due upon receipt of invoice.
- 3.2 *Tax Gross Up.* All payments to be made by Lessee to Blackline hereunder shall be made free and clear of and without deduction for or on account of tax unless Lessee is required to make such a payment subject to the deduction or withholding of tax, in which case the sum payable by such Lessee (in respect of which such deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that Blackline receives a sum net of any withholding or deduction equal to the sum which it would have received had no such deduction or withholding been made or required to be made.
- 3.3 *Late Payment.* If payment of an amount due by Lessee is not received by Blackline as specified in paragraph 3.1 of this Agreement, it will be considered a delinquent amount and may be subject to a late payment charge of 2% per month, calculated and compounded monthly on the delinquent amount (26.82% per year) from the date of the first invoice on which the delinquent amount appears until the date Blackline receives such amount in full.

4 CREDIT REQUIREMENTS

- 4.1 *Credit Application.* At the time of Lessee's application for Services, Lessee may be required to complete and sign an application to establish financial credibility ("Credit Application") Based on the Credit Application, Blackline will assign a credit limit and payment terms to Lessee. Lessee authorizes Blackline to obtain information about Lessee's credit history at any time during the provision of Services. Blackline may require a deposit or impose other payment or credit requirements on Lessee (e.g. interim payments; mandatory pre-payments) from time to time on such terms as determined in Blackline's reasonable discretion. When Lessee's Services are terminated, Blackline will apply any deposits or other payments against the outstanding final balance on Lessee's account.
- 4.2 *Credit Adjustment.* Upon notice to Lessee, Blackline, acting reasonably, may adjust the credit limit on Lessee's account. Services may be suspended upon notice to Lessee, to any or all of Lessee's accounts, if Lessee's balance, including unbilled usage and pending service charges fees, and adjustments, exceeds Lessee's then-current credit limit. Recurring service charges continue to apply during any suspension of Services.

5 DELIVERY OF EQUIPMENT

- 5.1 Blackline will at Lessee's own expense and risk, deliver the Equipment to Lessee's specified delivery location.

6 MAINTENANCE AND OPERATION

- 6.1 *Use of Equipment.* Lessee hereby agrees to the following with regards to the care and use of Equipment:
- (a) Lessee will use the Equipment in a good and careful manner and will comply with all of Blackline's requirements and recommendations respecting the Equipment and with any applicable law, whether local, state or federal, respecting the use of Equipment, including, but not limited to, environmental and copyright law;
 - (b) Lessee shall not remove, alter, disfigure or cover up any numbering, lettering, or insignia displayed upon the Equipment and shall see that Equipment is not subjected to careless, unusually or needlessly rough usage;
 - (c) Lessee shall ensure the Equipment remains in good repair and operative condition, and return it in such condition;
 - (d) Lessee will use the Equipment for the purpose for which it was designed and not for any other purpose; and
 - (e) Unless Lessee obtains prior written consent from Blackline, Lessee will not alter, modify, or attach anything to the Equipment unless the alteration, modification or attachment is easily removable without damaging the functional capabilities or economic value of the Equipment.

- 6.2 *Repairs.* Blackline will provide repair service to Lessee throughout the Term, including labour, materials, parts and other items. If Lessee determines a unit of Equipment is non-functional it should follow the Repairs and Maintenance procedures listed in Schedule B.
- 6.3 *Training.* Blackline will provide training to Lessee's employees on the operation of the Equipment and use of Services. Refresher courses will be provided annually for each user during the Term.

7 PRIVACY AND SECURITY

- 7.1 *Personal Information.* While providing Services, Blackline may collect certain identifiable information about Lessee's employees, which includes names, contact information, or payment information ("Personal Information"). This Personal Information will only be used and disclosed in accordance with Blackline's Privacy Policy available on Blackline's website <https://www.blacklinesafety.com/privacy-policy>.
- 7.2 *Anonymity.* Blackline does not sell or rent Personal Information to any third party. Blackline may use Personal Information in order to provide the Services, analyze Blackline's customer base and fulfill the other purposes described in Blackline's Privacy Policy. Blackline may share statistical information with third parties; where it does share such statistical information, Blackline will ensure such information is in an anonymized form.

8 LIMITATION OF LIABILITY

- 8.1 To the fullest extent permitted under applicable law, in no event shall Blackline or its Affiliates or any of its or theirs respective licensors or service providers, be liable to Lessee or any third party for any use, interruption, delay or inability to use the Equipment or Services, lost revenues or profits, delays, interruption or loss of services, business or goodwill, loss or corruption of data, loss resulting from system or system service failure, malfunction or shutdown, failure to accurately transfer, read or transmit information, failure to update or provide correct information, system incompatibility or provision of incorrect compatibility information or breaches in system security, for any consequential, incidental, indirect, exemplary, special or punitive damages, whether arising out of or in connection with this Agreement, breach of contract, tort (including negligence) or otherwise, regardless of whether such damages were foreseeable and whether or not Blackline was advised of the possibility of such damages.
- 8.2 In no event will Blackline or its Affiliates' (including any of its or their respective representatives', licensors' and service providers') collective aggregate liability arising out of or related to this Agreement, whether arising out of or related to breach of contract, tort (including negligence) or otherwise, exceed the total amount paid to Blackline by Lessee pursuant to this Agreement for the Equipment or Services (including the software) that are the subject of the claim.

9 DISCLAIMER OF WARRANTIES

- 9.1 Blackline represents and warrants that all Equipment will be free from non-conformities in materials and workmanship for the Term of this Agreement.

- 9.2 Subject to Section 9.1, the Equipment and Services (including the software and documentation) are provided to Lessee “as is” and with all faults and defects without warranty of any kind. To the maximum extent permitted under applicable law, Blackline, on its own behalf and on behalf of its Affiliates and its and their respective licensors and service providers, expressly disclaims all warranties, whether express, implied, statutory or otherwise, with respect to the Equipment and Services (including the software and documentation), including all implied warranties of merchantability, fitness for a particular purpose, title and non-infringement, and warranties that may arise out of course of dealing, course of performance, usage and trade practice. Without limiting the foregoing, Blackline provides no warranty or undertaking, and makes no representation of any kind that the Equipment or Services (including the software and documentation) will meet Lessee’s requirements, achieve any intended results, be compatible or work with any other software, applications, systems or services, operate without interruption, meet any performance or reliability standards or be error free or that any errors or defects can or will be corrected; and Lessee’s use of the Equipment and Services, facilities and services of telecommunications providers and other suppliers and third Parties is at Lessee’s own risk.

10 INDEMNIFICATION

- 10.1 Subject to the terms and conditions of this Agreement, each Party (an “indemnifying Party”) shall indemnify, defend and hold harmless the other Party and its officers, directors and employees (collectively, “Indemnified Parties”) against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable legal fees, disbursements and charges, fees and the costs of enforcing any right to indemnification under this Agreement and the cost of pursuing any insurance providers, incurred by any Indemnified Party (collectively, “Losses”) arising out of or resulting from any third party action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, investigative, regulatory or other, whether at law, in equity or otherwise (each a “Claim”) alleging: (a) a breach or non-fulfillment of any of Indemnifying Party’s representations, warranties, conditions or covenants set out in this Agreement excluding Warranty.
- 10.2 Exceptions and Limitations. Notwithstanding anything to the contrary in this Agreement, an Indemnifying Party is not obligated to indemnify or defend any Indemnified Party against any Claim to the extent that such Claim or the corresponding Losses result directly from the Indemnified Party’s or its personnel’s (a) gross negligence or more culpable act or omission (including willful misconduct); (b) failure to comply with any of its obligations set out in this Agreement; or (c) if Lessee is the Indemnified Party, use of the Equipment in any manner that does not materially conform with any written usage instructions, guidelines or specifications provided by Blackline.

11 RISK OF LOSS

- 11.1 During the Term of this Agreement, Lessee shall bear all risks of theft, physical damages to or loss or destruction of the Equipment. If the Equipment is rendered unusable as a result of any physical damage, destruction or loss due to theft of the Equipment, Lessee shall give Blackline prompt notice thereof and this Agreement shall continue in full force and effect without any adjustment in Rate. In the event, the Equipment is lost, stolen, totally destroyed or damaged beyond repair, Lessee shall promptly notify Blackline that the Equipment shall be deemed to have been destroyed for purposes of this paragraph ("Casualty Event") and Lessee shall purchase the Equipment, "**AS IS, WHERE IS**" by paying to Blackline the remaining balance of the Equipment immediately following a Casualty Event.

12 INSURANCE

- 12.1 Lessee shall keep the Equipment insured against all risks of loss or damage from every cause whatsoever for not less than the full replacement value thereof; and shall ensure the Equipment is covered by public liability and property damage insurance for the amount of at least one million dollars (\$1,000,000).

13 OWNERSHIP

- 13.1 Blackline shall at all times retain ownership of and title to the Equipment. Lessee shall give Blackline immediate notice in the event that any of the Equipment is levied upon or is about to be seized or is threatened with seizure, and Lessee shall indemnify Blackline against all loss and damages caused by such action.

14 DEFAULT; REMEDIES

- 14.1 *Event of Default.* The occurrence of any one or more of the following events (each an "Event of Default") shall constitute a default and breach of this Agreement by Lessee:
- (a) If Lessee shall default in the payment of any amounts owing or in making any other payment hereunder when due;
 - (b) Lessee fails to pay when due any indebtedness of Lessee to Blackline arising independently of this Agreement;
 - (c) Lessee fails to perform any other covenant herein and such failure continues for five (5) Business Days after written notice of such failure to Lessee by Blackline;
 - (d) Lessee becomes insolvent or makes an assignment for the benefit of creditors; or
 - (e) Lessee applies for or consents to the appointment of a receiver, trustee or liquidator of Lessee, or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, under the *Bankruptcy and Insolvency Act*, or any amendment thereto (including, without limitation, a petition for reorganization, arrangement or extension) or under any other insolvency law or law providing for the relief of debtors, then, if and to the extent permitted by applicable law.
- 14.2 *Remedies.* If an Event of Default occurs, Blackline shall have the right to exercise any one or more of the following remedies:
- (a) To declare the Total Rate hereunder immediately due and payable as to any or all items of the Equipment, without notice or demand to Lessee;
 - (b) To cancel the provision of any or all training and Services as listed in Schedule A;
 - (c) To sue for and recover all rates, and other payments, then accrued or thereafter accruing with respect to any or all items of Equipment;

- (d) To take possession of any or all items of the Equipment without demand, notice, or legal damages against Blackline occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this Agreement as to any or all items of Equipment unless Blackline expressly notifies Lessee in writing;
- (e) To terminate this Agreement as to any or all of the leased Equipment; or
- (f) To pursue any other remedy at law or inequity.

Notwithstanding any said repossession, or any other action which Blackline may take, Lessee shall remain liable for the full performance of all obligations on the part of Lessee to be performed under this Agreement. All such remedies are cumulative and may be exercised concurrently or separately.

15 GENERAL PROVISIONS

- 15.1 *No subletting; Assignment.* No Equipment shall be sublet by Lessee, nor shall Lessee assign or transfer any interest in this Agreement without the prior written consent of Blackline. Blackline may assign this Agreement without Lessee's consent. Subject to the foregoing, this Agreement inures to the benefit of, and is binding upon, the heirs, successors, and permitted assigns of the Parties hereto.
- 15.2 *Severability.* If any one or more provisions contained in this Agreement should be held by a court or other tribunal to be invalid, illegal or otherwise unenforceable, the remaining provisions shall nevertheless continue in full and force and effect without being impaired or invalidated in any way.
- 15.3 *Amendments and Waivers.* No amendment to this Agreement will be effective or binding unless set forth in writing and duly executed by both Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and executed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
- 15.4 *Expenses.* Lessee shall pay Blackline all costs and expenses, including attorney's fees, incurred by Blackline in exercising any of its rights or remedies hereunder or enforcing any of the items, conditions or provisions hereof.

- 15.5 *Dispute Resolution.* Either Party may give notice, at any time, with respect to any dispute, claim or controversy arising out of or relating to the interpretation, performance or breach of this Agreement. ("Dispute"). A Dispute shall be referred to two representatives, one representative of Lessee, and the other a representative of Blackline, for negotiation, and settlement negotiations. Failing final resolution of the matter within 30 days from the reference, the Dispute shall be referred to a mediator mutually agreed upon by the Parties for non-binding mediation. The costs of the mediation shall be borne equally by the Parties. The mediation must be held within 90 days of the conclusion of negotiations between the representatives of the Parties. Failing final resolution of the matter by mediation, the Parties may refer the matter to binding arbitration in accordance with the rules of the Alternative Dispute Resolution Institute of Alberta ("ADRIA"). The place of the arbitration shall be Calgary, Alberta. The arbitration shall be by a single arbitrator who shall be agreed upon by the Parties. If the Parties fail to agree on an arbitrator, a single arbitrator shall be appointed in accordance with the rules of ADRIA.
- 15.6 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- 15.7 *Survival.* Any provision of this Agreement that expressly or by its nature, extends beyond the termination of this Agreement will survive any termination of this Agreement.
- 15.8 *Jurisdiction.* For the purpose of legal proceedings this Agreement will be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta will have exclusive jurisdiction to entertain any action arising under this Agreement, except for matters that can be tried only before a Federal Court in which case jurisdiction and venue shall be in Alberta. The Parties hereby attorn to the jurisdiction of the exclusive courts of the Province of Alberta and the Federal Court in accordance with the foregoing and waive any objection to venue or any claim of inconvenient forum.
- 15.9 *Force Majeure.* Neither party shall be liable for any delay or failure to perform its obligations under this Agreement to the extent that the delay or failure was caused directly by an event beyond its control, without its fault or negligence and that by its nature could not have been foreseen or, if it could have been foreseen, was unavoidable (which events may include natural disasters, embargoes, explosions, riots, wars or acts of terrorism).
- 15.10 *Notices.* Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery (including courier) or by electronic means of communication addressed to the recipient as follows:

To Blackline Safety Corp.:

803 24 Ave SE
Suite 100
Calgary, AB T2G 1P5
Email: sdevito@blacklinesafety.com

Attention: Sabrina DeVito

To
[ADDRESS]

Email:

Attention:

or to such other address, individual or electronic communication number as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

- 15.11 *Entire Agreement.* This Agreement (which includes any purchase order terms and all schedules, exhibits, attachments or appendices specifically referenced in this Agreement) constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement and cancels or supersedes any prior understandings, negotiations and agreements between the Parties with respect to the subject matter of this Agreement. There are no representations, warranties, terms, conditions, undertaking or collateral agreements, express, written, oral, implied or statutory, between the Parties other than as expressly set forth in this Agreement.
- 15.12 *Governing Law.* This Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 15.13 *Headings.* The subject headings in this Agreement are for convenience only and are not determinative of the substance of the subject clause.
- 15.14 *Electronic Signatures.* Each Party may execute this Agreement electronically with the intent that such electronic signature will have the same effect as a handwritten original signature. By signing electronically, each Party acknowledges that they have read, understand and hereby agrees to be bound by the electronic signatures applies to this Agreement in the same manner as if such Parties had signed this Agreement with handwritten original signatures.

IN WITNESS WHEREOF, the Parties hereto by their duly authorized representatives have executed this Agreement as of the day and year first written above.

BLACKLINE SAFETY CORP.:

[CUSTOMER LEGAL ENTITY NAME].:

Per: _____

Per: _____

Name: Sean Stinson
Title: Chief Revenue Officer

Name:
Title:

SCHEDULE A

Activated Services

Blackline Live Activated Services

Including but not limited to:

- Address book employee contact information including names, phone numbers, addresses, company name, title, and personal emergency contacts
- Company name, address, and primary contact information
- Device configuration
- Safety alert configuration
- Device wireless communication
- Device location computation and reporting
- Device automated safety alert detection and reporting
- Device manual alert generation by the device user
- Event data storage including location, speed, direction, time and date, safety alert type, device user name, and diagnostic information
- Safety alerting through the Blackline Cloud user account interface
- Safety alerting through mobile notification, including email and text message
- Display of past and near real-time Device locations on an interactive mapping system
- Display of past and recent event data
- Optionally safety alerting through Loner web services including Connect API and Push Notification service

Blackline 24/7 Live Safety Operations Center (SOC) monitoring service duties and responsibilities

Including but not limited to:

- 24/7, 365-day availability of Blackline 24/7 Live Safety Operations Center monitoring service
- Storage of a client's safety protocol, operated by SOC monitoring agents, that defines Lessee's alert management processes
- Management of the client's safety incident lifecycle from reception of alerts through to alert resolution
 - Reception of alerts within the SOC environment, with prompt display to, and ownership by, a live SOC monitoring agent
 - Review of the Lessee's safety protocol with regard for the alert type received and user role involved
 - Initiation of proper alert procedures as defined by Lessee
 - Escalation of a alert procedures if appropriate including calling supervisors, managers, administrative assistants, or any other Lessee delegate, in order to obtain more information to successfully manage the alert lifecycle, and / or obtain any further direction as may be required
 - Final escalation of alert if appropriate including contact with emergency responders and coordination of a response to the worker's location
 - Resolution of the safety incident within the Lessee's user account
- Availability to receive phone calls from Lessee's employees regarding alerts
- Maintenance of accurate employee contact information in order to manage and escalate alerts
- At the option of the Lessee: record telephone conversations

SCHEDULE B

Repair and Maintenance Procedures

1. BLACKLINE WARRANTY PERFORMANCE

- 1.1. Blackline will use commercially reasonable efforts to resolve, in a timely manner, legitimate repair and maintenance claims made by Lessee arising during the Term of this Agreement.

2. CUSTOMER RETURNS

- 2.1. *First tier of support.* Lessee agrees to provide an internal employee as a contact to be the first tier of support for end users of the Equipment and services. This person will receive training from Blackline to provide support on the basic usage of the Equipment and services.
- 2.2. *Second tier of support.* If the internal employee of the Lessee determines that the unit is not functioning correctly that individual is to contact Blackline's Customer Care team:

Phone contact: Customer Care: 1-877-869-7211 General queries: 24 hours a day / 7 days a week

Technical assistance and activations: 7 am to 4:30 pm Mountain Time (MT)

email contact: customercare@blacklinesafety.com

- 2.3. *Return Material Authorization.* If the Customer Care team is not able to remedy the issue they will issue a Return Material Authorization ("RMA") for the return of the unit to Blackline.
 - (a) A packing slip will be sent to the Lessee's internal contact with the RMA number on it. Equipment received back to Blackline without an RMA number affixed to the package or an illegitimate RMA will not be accepted by Blackline and will be returned to the Lessee;
 - (b) To receive an RMA number the Lessee will be required to provide all components of the original device;
 - (c) Customer Care will issue out a replacement unit within 24 hours unless the Lessee has replacement units stocked in a warehouse at their respective location. The replacement unit will be charged to the Lessee if the defective unit is not received by Blackline within 30 days of issuance of the replacement unit; and
 - (d) Upon receiving the defective unit Blackline staff will determine the cause of the issue. If it is found that reasonable care was not taken with the unit and such lack of care was the cause of the damage, then the replacement unit will be charged to the Lessee. The following non-exclusive list contains examples of where reasonable care is not taken:
 - Unit immersed in water or other liquid
 - Units was hit with a hammer, tool, or any heavy or sharp object
 - Unit was driven over with a vehicle
 - Unit was placed near very hot objects or heating elements
 - Unit was opened for any reason
- 2.4. *Product Replacement Budget.* At any time during the Term of this Agreement, if a piece of Equipment is damaged such that repairs are not covered by Warranty, the Lessee may elect to use the product replacement Budget to replace the device. The total budget is 2% of the value of the Blackline complete contract. The value of the replacement device is assumed to be the MSRP of the device.

APPENDIX A

Equipment RATE List

NAME	RATE PER UNIT
[DEVICE NAME], [PART NUMBER], [DESCRIPTION]	\$PRICE/month
[DEVICE NAME], [PART NUMBER], [DESCRIPTION]	\$PRICE/month