



Hyster New England
Memorandum of Understanding

The following notes are from the meeting between Pitney Bowes (PB) and Hyster New England (Hyster), on October 25, 2005. This Memorandum of Understanding represents Pitney Bowes' and Hyster's understanding of Hyster's best offer to PB on this date for each of the issues addressed.

Commitment to Service

1. PB agrees to purchase or lease forklift trucks and services specified within this agreement from Hyster for a period of 6 years.
2. Hyster agrees to provide all services contained within this agreement, now and with future growth, for a period of 6 years.
3. PB extends Hyster the right of first refusal for all future services within the agreed upon area provided Hyster can continue to meet all agreed upon service levels and can provide pricing competitive with the market.
4. Sub-contracting from third parties in the market will be subject to PB approval.
5. Full accountability will rest with Hyster for services performed by any third parties contracted by Hyster to service PB.
6. Hyster has the ability to supply forklift trucks in the field.

Dedicated Account Representatives

1. Your Primary technicians will be: List to be provided.
2. Don Pritchard, Aftermarket Sales Representative, will be the Quality Representative. His backup will be Vern Himes, Parts Manager.
3. The Management Representative will be Jeff Lakin, General Manager, Peter Haywood, Sales Manager, Don Pritchard, Service Manager, and Vern Himes, Parts Manager.
4. All dedicated personnel are experienced decision makers who have the authority to act independently.
5. Hyster will respond to all PB calls within 2 hour during regular working hours of 8 a.m. – 5 p.m., after-hours, and on weekends will be 3 hours.

Mutual Cost Reduction Targets

1. The Cost Reduction Team will have minimum cost reduction targets each year of the contract (measured in the aggregate).



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2. Hyster agrees to dedicate the appropriate resources to support this effort and will work jointly with PB to achieve these cost reduction targets.
3. Specific goals and implementation plans will be developed after contract award.
4. Hyster and PB agree to mutual access to each other's company operations with respect to lift truck management.

Transition

1. Hyster will ensure a seamless and smooth transition.
2. Transition out the fleet in reverse order of age (to be determined on an area-by-area basis). Trucks most expensive to maintain will be transitioned out first. To be reviewed by Manny Feliciano.
3. The phase-in of the transition will depend on the timing.

Joint Marketing and Advertising

1. Hyster commits to explore joint marketing possibilities.

Payment Terms and Invoicing

1. Payment terms will be Net 30.
2. Hyster will consolidate all billing upon request.

Data Consolidation and Reporting/EDI

1. Hyster will provide quarterly service reports by facility and vehicle. These reports will include detail on-going maintenance cost per unit.
2. Currently, Hyster is capable of downloading data into Excel.
3. Hyster will work towards on-line access for detail inquiry and customized report according to PB's specifications.

Dispute Resolution Procedures

1. Whenever a claim or dispute arises between Hyster and PB, respective personnel will strive to work out the problems internally.
2. If the dispute is not resolved by normal operating personnel within a reasonable amount of time, members of the original negotiating committee from each company will meet to resolve the issue.
3. If this committee is unable to resolve the issue within a reasonable amount of time, the respective executive management will meet to resolve the issue.



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4. If executive management is unable to resolve the issue, the contract will be voidable.
5. Hyster agrees to continue servicing PB during the dispute resolution process.
6. PB agrees to continue payment to Hyster during the dispute resolution process.

Lease/Buyback Terms

1. PB will receive "Most Favored Nations Pricing" for each vehicle.
2. At the end of the lease, PB will be subject to no residual charges. *(other than those listed in the signed lease documents if any)*
3. Freight and sales tax are not included in the current quote. PB reserves the right to designate the carrier when applicable.

Supplier Service Measurements

1. Hyster and PB will work together to identify improvement opportunities.
2. Hyster will guarantee timely service and maintenance of the fleet
3. The maintenance schedule will be based upon true hours of operation.
4. Hyster will provide a temporary replacement forklift in the event of unscheduled repairs resulting in truck downtime of over two weeks.
5. Hyster will maintain a parts inventory of wear items sufficient to keep PB trucks from experiencing over one day of downtime.
6. Hyster carries \$5 Million in workman's comp insurance.
7. Hyster will comply with all federal and state regulations in regard to environmental issues. A separate Environmental, Occupational Safety & Health (OS&H) performance document shall be signed by Hyster and copies kept on file.

Life of Agreement Pricing

1. Hyster will lock in the hourly labor rate of \$54/hr for year 2006, increase 5%(\$56.70/hr) in 2007 and increase 5%(\$59.53) in year 2008.
2. Hyster will waive all portal-to-portal charges upon signature for the full term of this agreement.
3. PB will receive the best rate for each truck.
4. Hyster and Pitney Bowes will mutually seek to reduce the overall maintenance charge and overall age of the fleet.



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5. Hyster agrees not to exceed the agreed upon amount as stated in the purchase order.
6. All PB locations will pay the same lease rate nationwide.

Contract Review Meetings

1. PB and Hyster will hold quarterly meetings to achieve the goals of the MOU.
2. The meetings will involve the general management team and will include at least one representative from each side's original negotiating team.
3. The meeting agenda will include industry trends, potential problems, and possible opportunities for improvement.
4. Supplier performance measurements will also be discussed.
5. PB and Hyster agree to have emergency meetings as required.

Contract Enforcement

1. Confidentiality Agreement: Hyster and PB will not share contract information with anyone other than each other.
2. Either party can cancel the agreement with 60 days written notice if any of the following occur:
 - Either company is sold, acquired, or becomes insolvent.
 - Significant quality, delivery, or pricing problems cannot be resolved through joint meetings.
 - Non-performance due to force majeure.
3. If Hyster cannot meet PB requirements, PB retains the right to purchase forklift trucks through alternate sources.
4. Any material breach of contract could result in immediate cancellation of the contract.

Extension of Agreement Terms

1. Hyster agrees to extend pricing, in addition to all other terms and conditions of this contract, to domestic PB business units and subsidiaries.
2. Hyster will report on international business rates.

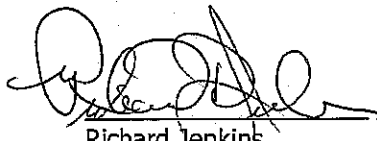


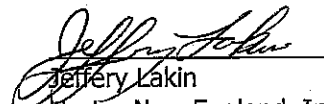
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The signatures below indicate full approval by Pitney Bowes and Hyster New England of all agreement points stated above on this date 12/14/2005. This Memorandum of Understanding will be the basis for the agreement between Pitney Bowes and Hyster. The points of this agreement shall supersede all other agreements between Pitney Bowes and Hyster for the supply of forklift trucks to Pitney Bowes, where there is conflict.


Manny Feliciano,
Pitney Bowes
Date 12/14/05


Peter Haywood,
Hyster New England, Inc
Date 12/29/05


Richard Jenkins,
Pitney Bowes
Date 12/20/05


Jeffery Lakin
Hyster New England, Inc
Date 1-9-06