

McNaughton Subscription Agreement

THIS AGREEMENT to be effective July 2015 between McNaughton, A Division of Brodart Co., ("Company") and Newport Public Library (B/T 360078) at 35 Nw Nye St, Newport, OR 97365 ("Customer").

**1. Allowance usage and allotment**

- 1.1 For Book Allowance, each item supplied will be charged as one allowance unless the book retails for more than the cutoff subscribed to, in which case the charge will be higher.
- 1.2 For Point Allowance, the number of items supplied will be determined by the point values corresponding to the list price of the item(s), provided in each monthly selection list.
- 1.3 Allowance will be allotted in accordance with the Customer's invoice schedule. That is, if the Customer elects to receive and pay invoices monthly, allowance will be allotted monthly; if the Customer elects to receive and pay invoices annually, allowance will be allotted annually.
- 1.4 Unused allowance will 'roll over' into the next subscription year as long as you continue your service. Unused allowance will be lost when the service is terminated.

**2. Returning leased items**

- 2.1 The Customer shall return to the Company any leased items in excess of the Allowable Inventory subscribed to.
- 2.2 Return shipping expenses will be paid by the Company, using Company supplied shipping labels. Return shipments made without Company supplied labels may be subject to shipping charges.
- 2.3 Returning leased items does not affect the number of items available to order.

**3. Purchasing leased items**

- 3.1 If the subscription includes leased materials, the Customer will have the privilege of transferring leased items to its permanent collection by purchasing them at the volume discount sale prices.
- 3.2 Purchasing leased items does not affect the number of items available to order.

**4. Lost or Stolen leased items**

- 4.1 The Customer shall report, at least twice annually, any items lost or stolen from the leased collection.
- 4.2 Up to 10% of the Customer's annual Allowance for leased items lost or stolen in circulation will be adjusted at no cost. Any item beyond that amount will be invoiced according to the current McNaughton inventory purchase price.

**5. Payment**

- 5.1 The Customer shall make payment to the Company the monthly amount agreed to, plus applicable taxes, within 30 days from date of invoice.
- 5.2 Payments made annually will be allowed a discount of 2%, provided payment is made within 60 days from the date of invoice.

**6. Term**

- 6.1 This Agreement to be in effect for a period of 12 months and to renew itself thereafter unless canceled.
- 6.2 The subscription plan may be increased at any time at the Customer's request.
- 6.3 The subscription plan may be decreased with the provision of 60 days notice due to potential pre-publication orders.
- 6.4 The Customer will be price protected during the year specified by the Agreement, provided signed Agreement is returned to the Company 30 days prior to specified effective date. Afterwards, the Customer will be subject to any necessary price increase at the expiration of the Agreement or end of the prepayment period, whichever comes first.

**7. Termination**

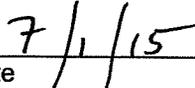
- 7.1 This Agreement may be canceled by the Customer at the expiration of specified contract period, with the provision of 60 days notice.
- 7.2 The Customer will return and/or purchase all leased materials in inventory within 90 days after the effective date of termination.
- 7.3 The Company reserves the right to cancel service to the Customer with the provision of 60 days written notice and to approve or disapprove any large purchases of leased materials at the time of termination.



Customer signature



Printed name and title



Date



Company signature

Lisa K. Miosi, Director, Customer Care

Printed name and title

February 27, 2015

Date