



Master Agreement #: ADSPO16-169897, as amended

Contractor: PITNEY BOWES INC.

Participating Entity: STATE OF WISCONSIN

Participating State Contract #505ENT-O18-NASPOMAILEQ-03

The following products or services are included in this contract portfolio:

- All products and accessories listed on the Contractor page of the NASPO ValuePoint website, including those in the following awarded categories.
 - Rental Postage Meter
 - Mailing Systems-Ultra Low, Low, Medium, High, Production Volume
 - Integrated Postal Scales
 - Letter Openers-Low and High Volume
 - Letter Folders-Low and High Volume
 - Inserters
 - Folder-Inserters-Low, Medium, High, and Production Volume
 - Software (PC Postage)
 - Envelope Addressing System-Low, Medium, and High Volume
 - Tabbers-High Volume
 - Pre-Sorting Equipment
 - Software License & Subscription

Master Agreement Terms and Conditions:

1. **Scope:** This addendum covers the *Mailroom Equipment, Supplies & Maintenance* led by the State of **Arizona** for use by state agencies and other entities located in the Participating State *Wisconsin* authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

This is not a mandatory contract for any Purchasing Entities. The Purchasing Entities may obtain related Deliverables and Services from other sources during the term of this Participating Addendum. The Participating Entity makes no express or implied warranties whatsoever that any particular quantity or dollar amount of Deliverables or Services will be procured.

2. **Participation:** The NASPO ValuePoint Master Agreement referenced above may be used by all state agencies, institutions of higher Education, political subdivisions and other entities authorized by an individual state's statutes to use state/entity contracts are subject to the approval of the respective State Chief Procurement Official. Wisconsin Statutes (s. 16.73, Wis. Stats.) establish authority to allow Wisconsin municipalities to purchase from state contracts. A "municipality" is defined as any county, city, village, town, school district, board of school directors, sewer district, drainage district, vocational, technical and adult education district, or any other public body having the authority to award public contracts (s. 16.70(8), Wis. Stats.). Federally recognized Indian tribes and bands in this state may participate in cooperative purchasing with the state or any municipality under ss. 66.0301(1) and (2), Wis. Stats. 501(C)3 organizations and/or private schools and institutions are not eligible to use pricing under this



contract. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. **Contract Term:** The term of this Participating Addendum will be effective November 13, 2017 through May 14, 2019 and coterminous with the Master Agreement term unless otherwise cancelled or terminated as set forth in this Participating Addendum by the Participating State. Lead State amendments to extend the term date are automatically incorporated into this Participating Addendum unless terminated early in accordance with the terms and conditions of the Master Agreement or this Participating Addendum.
4. **Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Art Adams, Director Government Contract Compliance
Address:	Pitney Bowes Inc. 3001 Summer Street, Stamford, CT 06926
Telephone:	(203) 351-7866
Fax:	(203) 460-3827
Email:	art.adams@pb.com

Contractor – Government Sales Channel Director – Bill Walter Region

Name:	Bill Walter, Director, Government Sales
Address:	Pitney Bowes Inc. 3001 Summer Street, Stamford, CT 06926
Telephone:	(480) 206-2984
Fax:	(203) 460-5758
Email:	bill.walter@pb.com

Lead State

Name:	Christopher Lacey, MBA
Address:	Arizona DOA-SPO, 100 N. 15 th Ave, Suite 201, Phoenix, AZ 85007
Telephone:	602-542-7165
Fax:	602-542-5508
Email:	Christopher.Lacey@azdoa.gov

Participating Entity

Name:	William Goff
Address:	101 E Wilson Street, 6 th Floor, Madison, WI 53703
Telephone:	(608) 266-1002
Fax:	(608) 267-0600
Email:	william2.goff@wisconsin.gov



5. MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

No changes to the terms and conditions of the Master Agreement are required.

The following changes are modifying or supplementing the Master Agreement terms and conditions. The attached **Exhibit A** is incorporated in the Participating Addendum and apply to all transactions under this Participating Addendum.

5.1 Software license terms and conditions within the scope of this Participating Addendum shall be mutually agreed upon in writing by the purchasing entity's authorized individual and Pitney Bowes Inc., Please refer to the Contractor page on the NASPO ValuePoint website for a list of the software licenses offered under this addendum;

<http://www.naspovaluepoint.org/#/contract-details/89/contractor/541>

5.2 All purchasing entities requiring the use of a Postage Meter will comply with all United States Postal Service regulations and meter terms and conditions applicable to the rental and use of postage meters supplied under this participating addendum as provided by the Contractor and attached hereto as **Attachment B**. Purchase Power is not available under this Participating Addendum.

5.3 **Lease Agreements:**

Equipment Lease and Rental Agreements are authorized in accordance with the terms of NASPO ValuePoint Master Price Agreement number ADSPO16-169897, as amended. The attached **Exhibit B** is incorporated in the participating Addendum and apply to all transactions under this Participating Addendum. **Attachment A** reflects the lease and/or rental options Participating State/Entity has agreed to use. Any leases entered into during the term of this Participating Addendum will remain in full force and effect throughout the stated lease term of such lease agreement, subject to termination provisions stipulated with such lease.

(a) Pitney Bowes Global Financial Services LLC "GFS" Term Rental (Installment Purchase) – Option A, State & Local Rental – Option B, and State & Local Fair Market Value Lease – Option C pursuant to Sections 3.15 and 3.16 of the master agreement, respectively and its terms and conditions are offered for lease transaction for the SMB Product line specifically listed on **Attachment A**.

(b) For the Pitney Bowes DMT product line and related services (as described in tabs on the Price **Attachments C and C-1** to the Agreement ("Folders-Inserters Production, Inserters-Production, Pre-sorting Equipment Production and Software License and Subscriptions applicable to DMT Production Mail Equipment")) (the "DMT Product Line") leases may be available in an applicable State through three third party lending companies. The preferred leasing company is PNC Equipment Finance. The two alternative leasing companies are IBM Credit LLC and Municipal Asset Management, Inc. The terms and conditions of the (i) Municipal Master Lease Purchase Agreement or the Muni Short Form FMV lease [PNC], (ii) a Lease/Purchase Master Agreement for State and Local Government, [IBM] and (iii) a



Tax-Exempt Lease/Purchase Agreement and a Rental Agreement [MAM] lease (together the “DMT Leases”), as such may be available in this State, and have been included with this Participating Addenda. Pricing by third party leasing companies for DMT Leases to be provided.

- (c) The DMT Leases may be offered under the Agreement and this State Participating Addenda and, in such cases, if there is a conflict between a DMT Lease, and the State Participating Addenda, the DMT Leases shall govern. Alternatively, the DMT Leases may be offered as a separate contract outside the Participating Addenda and this Agreement. Further, in the event this State wishes to use its own lender, it will be considered a separate contract outside the Participating Addenda and this Agreement. Note that the DMT Product Line is not offered under the GFS lease program described above in Item 1. Further, the DMT Product Line is not available for an Equipment Rental program, as described in Section 3.16 of the Agreement”.

5.4 Sales & Purchase Tax will be charged, if required under your State Statute.

5.5 **Subcontractors:**

All Pitney Bowes contractors, subcontractors, Authorized Sales and Services Representatives authorized in the State of Wisconsin, as shown on the dedicated Pitney Bowes website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor’s dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

5.6 **Purchase Order Instructions:**

All orders under this PA are to be made out to and processed by Pitney Bowes and should contain the following:

- (a) Mandatory Language “PO is subject to NASPO ValuePoint Master Agreement number ADSPO16-169897”
- (b) Your Name, Address, Contact, & Phone-Number and
- (c) Reference to the state contract number. “505ENT-O18-NASPOMAILEQ-03”

Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

5.7 **Price Agreement Number:**

All purchase orders issued by Purchasing Entities within the jurisdiction of this Participating Addendum shall include the Participating State/Entity’s contract number: **505ENT-O18-NASPOMAILEQ-03** and the Lead State price agreement number: ADSPO16-169897.

5.8 **Individual Customer:**

Each State agency and political subdivision, as a Purchasing Entity, that purchases products/services under this Participating Addendum will be treated as if they were Individual Customers. Except to the extent modified by a Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Participating Addendum Master Agreement; and they will have the same rights and responsibilities for their

NASPO ValuePoint
PARTICIPATING ADDENDUM
MAILROOM EQUIPMENT,
SUPPLIES & MAINTENANCE
 Led by the State of Arizona



purchases as the Participating Entity has in the Master Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor will apply the charges to each Purchasing Entity individually.

5.9 Section 7.2 [State of Arizona Uniform Terms and Conditions], subsection 6 [Risk and Liability], subsection 6.1 [Risk of Loss] is hereby amended by adding the following at the end of said subsection 6.1: "provided, however, that the State shall be deemed to have accepted a Product as to which it doesn't indicate nonconformity within sixty (60) days of the delivery of the product."

6. ENTIRE AGREEMENT

This Participating Addendum and the Master Price Agreement number ADSPO16-169897 (administered by the State of Arizona) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State/Entity.

IN WITNESS, WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity: State of Wisconsin	Contractor: Pitney Bowes Inc.
Signature: 	Signature: 
Name: Cate Zeuske	Name: Arthur E. Adams, Jr.
Title: Deputy Secretary	Title: Director, Government Contract Compliance
Date: 2/19/18	Date: 11/29/2017

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 1 of 18

Participating State Modifications or Additions to Master Agreement.

1. **Additional Term Definitions.** All terms used and not defined herein shall have the meaning given within the NASPO ValuePoint Master Price Agreement and Request for Proposal with its related terms and conditions, as amended.

"Agency" or **"State Agency"** means an office, department, agency, institution of higher education, association, society or other body in the State of Wisconsin government created or authorized to be created by the State Constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority, as defined in Wis. Stat. s. 16.70(2).

"Business Day" means any day on which the Contracting Agency is open for business.

"Confidential Information" means all tangible and intangible information and materials being disclosed in connection with this Participating Addendum, in any form or medium without regard to whether the information is owned by the Purchasing Entity, Participating State or by a third party, which satisfies at least one of the following criteria:

- a. Personally Identifiable Information;
- b. Proprietary Information;
- c. non-public information related to the Purchasing Entity's or Participating State's employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; or
- d. information expressly designated as confidential in writing by the Purchasing Entity or Participating State. Confidential Information includes all information that is restricted or prohibited from disclosure by state or federal law.

"Contract" means a binding agreement for the procurement of goods and services under the terms and conditions contained within the Participating Addendum, Master Agreement (as amended), Solicitation and Addendums, Contract Vendor's response to the Solicitation, and related Agreements.

"Contracted Personnel" means a Contractor's employees or other personnel (including officers, agents and Subcontractors) provided by the Contractor to render Services under this Contract.

"Contracting Agency" means the Agency entering into this Contract on behalf of the State.

"Data Breach" means the unauthorized access by a non-authorized person(s) which results in unauthorized acquisition of Public Data and compromises the security, confidentiality, or integrity of Public Data. It is within a Purchasing Entity's sole discretion to determine whether the unauthorized access is a Security Incident or a Data Breach.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 2 of 18

"Day" means calendar day unless otherwise specified in this Contract.

"Default" means the omission or failure to perform a contractual duty or provide Goods or Services as contractually required.

"Deliverables" means all project materials, including Goods, software licenses, data, and documentation created during the rendering of Services hereunder.

"Goods" means articles of trade or items of merchandise, supplies, raw materials, or finished products, and may also include incidental or related Services as the situation may require.

"Inspection" means an examination of Deliverables or Services provided under this Contract in order to determine Specifications were met.

"Personally Identifiable Information" means an individual's last name and the individual's first name or first initial, in combination with and linked to any of the following elements, if that element is not publicly available information and is not encrypted, redacted, or altered in any manner that renders the element unreadable:

- a. the individual's Social Security number;
- b. the individual's driver's license number or state identification number;
- c. the number of the individual's financial account, including a credit or debit card account number, or any security code, access code, or password that would permit access to the individual's financial account;
- d. the individual's DNA profile; or
- e. the individual's unique biometric data, including fingerprint, voice print, retina or iris image, or any other unique physical representation, and any other information protected by state or federal law.

"Properly-submitted Invoice" is one that is submitted in accordance with instructions contained on the State's Purchase Order, includes a reference to the proper Purchase Order number, and is submitted to the proper address for processing.

"Proprietary Information" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

- a. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
- b. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

"Public Data" means all Confidential Information that is created or originating with the Purchasing Entity whether such data or output is stored on the State or Purchasing Entity's hardware, Contractor's hardware, or exists in any system owned, maintained or otherwise controlled by the State, a Purchasing Entity, or by Contractor. Public Data includes any

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 3 of 18

federal data that the State or Purchasing Entity controls or maintains, that is protected under federal laws, statutes, and regulations.

"Security Incident" means the potentially unauthorized access by non-authorized persons to Public Data that Contractor believes could reasonably result in the use, disclosure or theft of Public Data within the possession or control of the Contractor. A Security Incident may or may not turn into a Data Breach. It is within a Purchasing Entity's sole discretion to determine whether the unauthorized access is a Security Incident or a Data Breach.

"Services" means all work performed, and labor, actions, recommendations, plans, research, customizations, modifications, documentation, and maintenance and support provided by the Contractor necessary to fulfill that which the Contractor is obligated to accomplish under this Contract.

"Software" means commercial operating off-the-shelf machine-readable object code instructions including microcode, firmware and operating system software that are preloaded on equipment. The term "Software" applies to all parts of software and documentation, including new releases, updates, and modifications of software. "Software" also includes those products subject to software license agreements found on Contractor's page on the NASPO ValuePoint website.

"State" means the State of Wisconsin.

"Subcontract" means an agreement, written or oral, between the Contractor and any other party to fulfill the requirements and performance obligations of this Contract.

"Subcontractor" means an entity that enters into a Subcontract, with the Contractor for the purpose of delivering Goods or rendering Services to the State.

"Third Party" means any party who does not have a direct connection with this Contract, but who might be affected by it. A Third Party is a supplier of ancillary goods or support for a product or service who is neither the Contractor, Subcontractor, or the Purchasing Entity.

2. **Amendments.** The terms of this Participating Addendum, excluding the Master Agreement, shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the Participating State and Contractor.
3. **Contract Term.** The term of this Participating Addendum will be effective November 13, 2017 through May 14, 2019 and coterminous with the Master Agreement term unless otherwise cancelled or terminated as set forth in this Participating Addendum by the Participating State. Lead State amendments to extend the term date are automatically incorporated into this Participating Addendum unless terminated early in accordance with the terms and conditions of the Master Agreement or this Participating Addendum. In the event the Contract or the Participating Addendum is terminated the leases entered into

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 4 of 18

during the term of this Participating Addendum will remain in full force and effect for the duration of the lease term.

4. Order of Precedence

In the event of conflict of terms, the following order of precedence will follow:

- State of Wisconsin Participating Addendum
- Arizona NASPO ValuePoint Master Agreement, as amended
- The solicitation, including all addendums
- Contract Vendor' response to the Solicitation, as accepted by the Lead State

These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. No other terms and conditions shall apply, including terms not accepted by both parties, unaccepted terms listed or reference on a website, terms in the quotation or sales order, or similar documents subsequently provided by the Contract Vendor.

5. Termination of Participating Addendum.

a. **Cancellation.** The Cancellation terms and conditions remain as stated in the Master Agreement. Additional terms include:

1. The Participating State reserves the right to cancel this Contract in whole or in part without penalty, and without prior notice, if the Contractor:
 - Files a petition in bankruptcy, becomes insolvent, or otherwise takes action to dissolve as a legal entity; or
 - Makes an assignment for the benefit of creditors; or
 - Fails to maintain the confidentiality of the Purchasing Entity's or Participating State's information that is considered to be Confidential Information; or
 - Performs in a manner that threatens the health or safety of a Purchasing Entity or Participating State employee, citizen, or customer.
2. The State reserves the right to cancel this Contract in whole or in part without penalty, with 30 days' notice, if the Contractor:
 - Fails to follow the sales and use tax certification requirements of s. 77.66 of the Wisconsin Statutes; or
 - Incurs a delinquent Wisconsin tax liability; or

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 5 of 18

- Fails to submit a non-discrimination or affirmative action plan as required herein; or
 - Fails to follow the non-discrimination or affirmative action requirements of subch. II, Chapter 111 of the Wisconsin Statutes (Wisconsin's Fair Employment Law); or
 - Contractor has not satisfied a certified or verifiable delinquent payment owed to the State, or to any state or local unit of government; or
 - Becomes a state or federally debarred contractor.
- b. **Termination for Cause.** The Cancellation terms and conditions remain as stated in the Master Agreement. In addition to the rights reserved in the Contract, the Participating State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Participating State shall provide thirty (30) days' prior written notice of the termination and the reasons for it to the Contractor, with a thirty (30) day allowance for Contractor to cure or provide an acceptable plan to cure. Absent Contractor's cure, the State may terminate the Contract or applicable Order. Upon termination under this Section, all goods, materials, documents, data, and reports prepared by the Contractor with payment tendered to Contractor under the Contract shall become the property of and be delivered to the Purchasing Entity on demand.
6. **FORCE MAJEURE.** Neither party shall be in default by reason of any failure in performance of this Contract in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the party.
7. **Post Contract Obligations.** Upon the termination of this Contract for any reason, or upon Contract expiration, each party shall be released from all obligations to the other party arising after the date of termination or expiration, except for those that by their terms survive such termination or expiration.
8. **Usage/Spend Report.** The Contractor must submit electronic reports via e-mail on a quarterly basis and one annual summary report on all sales including service, made against this Participating Addendum/Master Agreement to the Participating State Primary Contact or designee.
- a. The report file format shall be Microsoft Excel compatible format and shall easily be

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 6 of 18

sorted for various data and inclusion into a pivot table;

- b. The quarterly reports will be filed using the schedule in Section e below. The annual report shall contain all data within the quarterly reports and include an annual sum total with any additional description notes;
- c. Such reports shall retain the same format throughout the life of the contract unless mutually agreed upon;
- d. The Contractor agrees to provide additional reports if requested by the State of Wisconsin in a format and frequency as mutually agreed upon by both parties; and
- e.

<u>Period End</u>	<u>Report Received By</u>
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

The annual summary report is provided after four (4) full quarters of data is collected from the start of the Participating Addendum.

- 9. **Records, Recordkeeping and Record Retention.** Pursuant to §19.36 (3) of the Wisconsin Statutes, all records of the Contractor that are produced or collected under this Contract are subject to disclosure pursuant to a public records request. The Contractor shall establish and maintain adequate records of all documentation developed or compiled and expenditures incurred under this Contract to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. All expenditure records shall be kept in accordance with Generally Accepted Accounting Procedures (GAAP). All procedures shall be in accordance with federal, State and local laws or ordinances. The Contractor, following final payment and the end of the contract, shall retain all records produced or collected under this Contract for six (6) years. The record retention shall be longer if the particular records are the subject of an audit, needed for a legal action, an open records request has been made.
- 10. **Examination of Records.** The State shall at any time during normal business hours, upon reasonable notice, have access to and the right to examine, audit, excerpt, transcribe, and copy, on Contractor's premises, any of the Contractor's records and computer data storage media involving transactions directly pertinent to this Contract. If the material is on computer data storage media, the Contractor shall provide copies of the data storage media or a computer printout of such if the State so requests. Any charges for copies of books, documents, papers, records, computer data storage media or computer printouts provided by the Contractor shall not exceed the actual cost to the Contractor. This provision shall survive the termination, cancellation, or expiration of this Contract. Contractor shall permit the Participating State, a Purchasing Entity, or any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents,

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 7 of 18

papers and records directly pertinent to this contract, Orders, and related transactions placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of six (6) years. The right shall be longer if the particular records are the subject of an audit, needed for legal action, or an open records request has been made.

11. **Vendor Agreement Form.** The Contractor must sign the State of Wisconsin Vendor Agreement, Wisconsin's Cooperative Purchasing Service form (DOA-3333), to allow entities, as defined on the DOA-3333 form, to purchase through this Participating Addendum.
12. **State Tax Exemption.** The State is exempt from payment of Wisconsin sales or use tax on all purchases. The Contractor shall be responsible for paying all applicable taxes. In the event taxes are due and valid and current tax-exempt status is not provided by the Purchasing Entity upon request within a reasonable time, the Purchasing Entity shall pay all applicable local sales or use taxes, property taxes, duties and other imposts, if any, due on account of purchases hereunder. The Purchasing Entity shall provide the tax-exempt status to the Contractor.
13. **Prompt Payment.** The State shall pay the Contractor's Properly-submitted Invoices within thirty (30) Days of receipt, provided that the Deliverables or Services to be provided to the State have been delivered, rendered, or installed, and accepted as specified in this Contract or Order document. If the State fails to pay a Properly-submitted Invoice within thirty (30) Days of receipt, it shall pay a late payment penalty as provided in §16.528, Wis. Stats. However, if the State declares a good faith dispute in regard to an invoice pursuant to §16.528 (3)(e), Wis. Stats., it may pay any undisputed portion of said invoice, and will be exempt from the prompt payment requirement for the disputed portion. Contractor may discontinue performance with any Purchasing Entity of Purchasing Entity fails to pay any undisputed sum due.
14. **Services performed in United States.** Pursuant to s. 16.705(1r), Wis. Stats., Services must be performed within the United States. Where Purchasing Entities which are not subject to this Statute, this requirement may be waived.

Purchasing Entity must use the following phone number, 877-213-7284. When this number is dialed by the end user, during normal business hours, option 1 is for Customer/Product Support Services and option 3 is the option for Postage by Phone which are both staffed by onshore agents.

15. **Delivery.**
 - a. Contractor shall not make partial shipments of any product on a single Order unless prior authorization is obtained by the Purchasing Entity.
 - b. In those situations in which the "delivery to" address has no receiving dock or agents, the Contractor must be able to deliver to the location specified on the Order without additional cost.
 - c. If there is a special case where an inside delivery fee must be charged and is clearly

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 8 of 18

specified on the Purchasing Entity's Order, the Contractor will notify the Purchasing Entity prior to accepting the Order for the Purchasing Entity to determine if the additional cost will require a change to the Order placed.

16. **Promotional Advertising and News Releases.** Reference to or use of the State of Wisconsin, the Great Seal of the State, the Wisconsin Coat of Arms, any Agency or other subunits of the State government, or any State official or employee, for commercial promotion is strictly prohibited. News releases or release of broadcast e-mails pertaining to this Participating Addendum shall not be made without prior written approval of the State.
17. **Refund of Credits.** Within sixty (60) Days of the State's request, the Contractor shall pay to the State any credits resulting from an Order that the State determines cannot be applied to future invoices.
18. **Ownership Rights.** Unless an ownership interest is granted or reserved in this Contract, a State Purchase Order issued under this Contract shall allow the State unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the State as part of the performance of the Contract. For the avoidance of doubt, any license issued to the State or an Agency under this Contract will be subject to the license terms found on Contractor's page on the NASPO ValuePoint website (as may be negotiated by the Purchasing Entity in accordance with Section 21 of this Exhibit A). The parties agree that any Work for Hire agreement will be separately negotiated between the parties.
19. **Replacement Parts.** All replacement parts provided under this Participating Addendum are new or remanufactured and include any warranty provided with such new parts. If such parts do not meet this requirement, the Purchasing Entity must approve in writing prior to shipment of such parts for each Order.
20. **Restrictions.**
In addition to the Master Agreement, restrictions for Hardware, Software, Services, and additional products/Services are as follows:
 - a. **Software.**
 - Software purchases through this Contract must be pre-loaded or provided as an electronic link with the initial purchase, must be related to the procurement of the equipment, and has the following exceptions:
 1. Software such as middleware which is not installed on the equipment, but is related to storage and server equipment purchased, is allowed and may be procured after the initial purchase of the equipment.
 2. Stand-alone Software purchase, including applications ("Apps"), is allowed and shall be negotiated between the Purchasing Entity and the Contractor.
 - b. **Value-Added Services.**

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 9 of 18

- Services are broadly classed as installation, de-installation, maintenance, support, minimal operation training, migration, training, and optimization of products offered or supplied under the Master Agreement. These types of services are directly related technical support service required for the effective operation of a product offered or supplied;
 - Services must be related to the equipment purchase. Additional professional Services, including general consulting, regardless of length of engagement, are not allowed;
 - All travel expenses, if applicable, shall be reimbursed under the same conditions and rates as noted in the current published State of Wisconsin Pocket Travel Guide published by the Division of Personnel Management.
 - When the Purchasing Entity Order requires a background check prior to providing services, Contractor shall be responsible for meeting any background check requirements. Such background check requirements and the payment of the background checks shall be agreed to in writing between the Purchasing Entity and the Contractor. Purchasing Entity shall have the sole discretion to allow or deny access to any individual providing Contract Services after conducting a background check.
21. **Software License Agreement.** Software subscription terms, the Software License Agreement and/or End User License Agreement (EULA) terms available under this Participating Addendum shall be negotiated between the Purchasing Entity and the Contractor. Unless otherwise negotiated between parties, Software is provided subject to the terms and conditions of the license applicable to such Software. Such terms and conditions shall be consistent and complementary with this Contract. Any transfer of equipment or license agreement purchased from this Contract can be done by a Purchasing Entity with consent of the Contractor, without unreasonable restriction or additional cost to the Purchasing Entity by the Contractor. Please refer to the Contractor page on the NASPO ValuePoint website for a list of the software licenses offered under this addendum.
22. **Title of Product Restrictions.** Notwithstanding anything to the contrary, in the event of any conflict or inconsistency between the terms and any software license, the Order of Precedence apply to the extent any terms of the software license are not in conflict with the Purchasing Entity's applicable governing law.
23. **Substitution.** Contractor will not substitute equipment, products, or Services specified by the Purchasing Entity in an Order. If equipment, products, or Services cannot be supplied and delivered as specified, Contractor shall promptly inform the Purchasing Entity in writing and the Purchasing Entity will be offered the choice of terminating the Order, accepting back order status, or consulting with the Contractor sales representative about selecting alternative goods or Services.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 10 of 18

24. **Product Recalls.** In the event Contractor recalls a Contractor branded product, Contractor agrees to use diligent efforts to provide written notice to the Participating State's Primary Contact within twenty (20) business days from the date of Contractor's written public announcement of such recall. Such written notice shall identify the Contractor branded product being recalled, the reason for the recall (if applicable), and the process for replacing the recalled Contractor branded product. When such recalled equipment or products that are not Contractor branded products, Contractor agrees to notify the Participating State's Primary Contact within a reasonable time after Contractor's receipt of the Third-Party manufacturer's written recall notice to Contractor, if applicable.
25. **Rush Orders.** Upon request of the Purchasing Entity, Contractor will provide expedited delivery of in-stock equipment in accordance with the Order. Any additional shipping incurred costs above and beyond the already included shipping costs as a result of a rush request shall be quoted and accepted by the Purchasing Entity prior to shipment.
26. **Insurance.** The Contract is responsible for payment of Contractor's premiums and deductibles on all Contractor's insurance policies.
27. **Non-Appropriation of Funds.** The Contractor acknowledges that the Purchasing Entity cannot contract for the payment of funds not yet appropriated. If federal funding (when applicable) is not provided, or the Legislature or the Governor does not appropriate funds for a subsequent fiscal year, the Purchasing Entity may terminate this contract upon thirty (30) days written notice. In the case that funds are not appropriated or are reduced for a subsequent fiscal year, the Purchasing Entity will reimburse Contractor for products delivered or services performed through the date of cancellation, and the Purchasing Entity will not be liable for any future commitments, penalties, or liquidated damages.
28. **Contractor Compliance and Responsibility for Actions.** The Contractor shall at all times comply with and observe all federal, state, and local laws, ordinances, and regulations that are in effect during the term of this Contract that may affect the Contractor's work or obligations hereunder.

The Contractor shall be solely responsible for its actions and those of its agents, employees, or Subcontractors. Neither the Contractor nor any of the foregoing parties has authority to act or speak on behalf of the State.

29. **Governing Law; Venue.** This Participating Addendum and its amendments and exhibits thereto, shall be governed by Wisconsin Law. Venue for all legal proceedings arising out of the Participating Addendum, or breach thereof, shall be in the State or federal court with competent jurisdiction in Dane County, Wisconsin. In the event that any provision of this Participating Addendum is contrary to Wisconsin law, such provision shall be null and void. The Contractor shall at all times comply with and observe all applicable federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this Participating Addendum and which in any manner affect the work or its conduct.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 11 of 18

30. **Nondiscrimination and Affirmative Action.** The Contractor shall not discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, national origin, developmental disability as defined in § 51.01(5), Wis. Stats., or sexual orientation as defined in § 111.32(13m), Wis. Stats. This provision shall include, but is not limited to, employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Contractor shall take affirmative action to ensure equal employment opportunities.

Unless exempted by workforce size (50 or fewer employees) or Contract amount (\$50,000 or less), the Contractor must submit a written affirmative action plan to the State.

The Contractor shall post the notice provided by the State, setting forth the provisions of the State's nondiscrimination laws, in its workplace, website or conspicuous places in order that the Contractor's employees and applicants for employment are able to read it.

Failure to comply with the conditions of this provision may result in the following consequences:

- termination of this Contract as provided in Section 6, Contract Cancellation herein,
- designation of the Contractor as "ineligible" for future consideration as a responsible, qualified bidder or proposer for State contracts, or
- withholding of a payment due under the Contract until the Contractor is in compliance

Instructions for Contractors regarding Affirmative Action Requirements can be found at <http://vendornet.state.wi.us/vendornet/procman/prod3.pdf>.

31. **Confidential Information.**

- a. **Disclosures.** In connection with the Contractor's performance hereunder, it may be necessary for the Participating State or Purchasing Entity to disclose to the Contractor Confidential Information. The Contractor shall not use such information for any purpose other than the limited purposes set forth in this Contract, and all related and necessary actions taken in fulfillment of the obligations thereunder. The Contractor shall hold all such information in confidence, and shall not disclose such information to any persons other than its directors, officers, employees, and agents who have a business-related need to have access to such information in furtherance of the limited purposes of this Contract and who have been apprised of, and agree to maintain, the confidential nature of such information in accordance with the terms of this Contract.

Contractor shall institute and maintain such security procedures as are commercially

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 12 of 18

reasonable to maintain the confidentiality of such information while in its possession or control, including transportation, whether physically or electronically.

Contractor shall ensure that all indications of confidentiality contained on or included in any item of such information shall be reproduced by Contractor on any reproduction, modification, or translation of such Confidential Information. If requested by the State, Contractor shall make a reasonable effort to add a proprietary notice or indication of confidentiality to any tangible materials within its possession that contain such information of the State, as directed.

The Contractor shall maintain all such information for a period of six (6) years from the date of termination of this Contract, and shall thereafter return or destroy said information as directed by the State.

b. Equitable Relief in Event of Contractor Breach.

The Contractor acknowledges and agrees that the unauthorized use, disclosure, or loss of Confidential Information may cause immediate and irreparable injury to the individuals whose information is disclosed and to the State, which injury will not be compensable by money damages and for which there is not an adequate remedy available at law. Accordingly, the parties specifically agree that the State, on its own behalf or on behalf of the affected individuals, may seek injunctive or other equitable relief to prevent or curtail any such breach, threatened or actual, without posting security and without prejudice to such other rights as may be available under this Contract or under applicable law.

32. **Identification.** All invoices, packing lists, packages, and shipping notices affecting an order hereunder shall contain the applicable State Purchase Order number. Packing lists shall be enclosed in each and every box or package shipped pursuant to an order, indicating the contents therein. Standard commercial packaging, packing and shipping containers shall be used. If requested by the State, all shipping containers shall be legibly marked or labeled on the outside with State Purchase Order number, product description, and quantity, or as otherwise directed by the State.
33. **Disclosure.** If a state public official (as defined in §19.42 (14) of the Wisconsin Statutes) or an organization in which a state public official holds at least a 10% interest or becomes a party to this Agreement, it shall be voidable by the State unless appropriate disclosure is made to the State of Wisconsin Ethics Commission, 212 E Washington Ave # 3, Madison, WI 53703 (Telephone 608-266-8123).
34. **Liens, Claims and Encumbrances.** The Contractor warrants and represents that all Deliverables ordered hereunder are free and clear of all liens, claims or encumbrances of any kind.
35. **Warranty.** In the event a Third-Party Product manufacturer fails to honor its standard product warranty, Contractor's sole responsibility will be to use is commercially reasonable

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 13 of 18

efforts to provide only those services as defined in the Third-Party Product manufacturer's instrument for the Third-Party Product at issue during the life of the manufacturer's original warranty and subject to all terms, conditions and exclusions in that instrument.

36. **Warranty of Items Offered.** Deliverables and Services rendered shall be strictly in accordance with the order placed and may not deviate in any way from the terms, conditions or specifications of this Contract, without the prior written approval of the Purchasing Entity. Deliverables delivered under this Contract are subject to Inspection and testing upon receipt. The Contractor warrants that the Deliverables provided shall conform to the specifications in this Contract, are fit and sufficient for the purpose manufactured, of good material and workmanship, and free from defect during the applicable Warranty Period as further defined in the Master Agreement. Deliverables offered must be new and unused and of the latest model or manufacture, unless otherwise specified by the Purchasing Entity. Items shall be equal in quality and performance to the standards indicated herein. Deliverables delivered that do not conform to the Contract terms, conditions, and specifications may be rejected and returned at the Contractor's expense during the applicable Warranty Period. The Contractor shall assign to the Purchasing Entity its right to recover under any warranties applicable to the Deliverables offered. All warranties made by the Contractor under this Contract shall survive the expiration or termination of the Contract for the original duration of the term of the warranty. The Purchasing Entity and State is not subject to or barred any limitations of actions regarding warranty.
37. **Receipt of Goods.** The Purchasing Entity's receipt of Deliverables upon delivery is for the sole purpose of identification and acceptance of delivery. Such identification shall not be construed as Acceptance of the Deliverables if they do not conform to Specifications. If there are any apparent defects in the Deliverables at the time of delivery, the Purchasing Entity shall promptly notify the Contractor of its rejection of said Deliverables. Without limiting any other rights, the Purchasing Entity warranty includes, at Contractor's option, to:
- a. Repair or replace any or all of the defective and rejected Deliverables at Contractor's expense,
 - b. Refund the price of any or all of the defective and rejected Deliverables, and
 - c. Accept the return of any or all of the defective and rejected Deliverables.

If rejected, the Goods shall remain the property of the Contractor.

38. **Performance.** Services rendered under this Contract shall be performed in a timely, professional and diligent manner by qualified and efficient personnel and in conformity with the strictest quality standards mandated or recommended by all generally recognized organizations establishing quality standards for the type of Services to be rendered hereunder. The Contractor shall be solely responsible for controlling the manner and means by which it and its Contracted Personnel or its Subcontractors render Services, and the Contractor shall observe, abide by, and perform all of its obligations in accordance with all applicable legal requirements, and Purchasing Entity's work rules to the extent disclosed and

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 14 of 18

agreed to by Contractor within the Order. Without limiting the foregoing, the Contractor shall control the manner and means of the Services rendered so as to do so in a reasonably safe manner and in compliance with all applicable codes, regulations and requirements imposed or enforced by any government agencies, including all applicable requirements of the Occupational Safety and Health Administration (OSHA) and all safety codes and procedures mandated or recommended by insurance underwriting organizations and all generally recognized organizations establishing safety standards, including without limitation the National Fire Protection Association. Notwithstanding the foregoing, any stricter standard provided in plans, specifications or other documents incorporated within an accepted Order under this Contract shall govern.

39. **Acceptance/Acceptance Testing.** In addition to the Master Agreement, Section 16. d., the Contractor shall not require the Purchasing Entity to sign or electronically accept additional terms and conditions for acceptance or acceptance testing except under a custom Statement of Work that has been mutually agreed to by both parties in writing or as otherwise specified and agreed to within the applicable Order. Such additional terms and conditions for acceptance or acceptance testing shall be consistent and complementary with the terms and conditions of the Contract.
40. **Installation.** If the Contractor is providing installation with the product purchase, Contractor site guidelines required for equipment installation shall be provided to the Purchasing Entity prior to Order. Ideally, such site guidelines will be provided at the time of the written quote. In the event such installation requirements were provided by the Contractor to the Purchasing Entity after an Order was placed, the Purchasing Entity has the option to cancel or write a change Order without penalty or additional fees.
41. **Severability.** If any provision of this Contract is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Contract shall remain valid and in full force and effect. The invalid provision shall be replaced by a valid provision that comes closest in intent to the invalid provision.
42. **Antitrust Assignment.** By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the Purchasing Entity all rights, title and interest in and to all causes of action, claims and demands of whatever nature it may now have or hereafter acquire under the antitrust laws of the United States and the State, relating specifically to that proportionate amount of the particular Deliverables or Services purchased or acquired by the Purchasing Entity under this Contract.
43. **State Employees.** The Contractor may not contract with or employ a State employee or an individual retained as a full-time contractor by the State during the term of this Contract.
44. **Notice and Change of Contact Information.** Any notice required or permitted to be given hereunder shall be deemed to have been given on the date of delivery, including electronic delivery, or three (3) Business Days after mailing by postal service, certified or registered

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 15 of 18

mail-receipt requested. In the event the Contractor moves or updates contact information, the Contractor shall inform the Participating State Primary Contact of such changes in writing within a reasonable period and not to exceed twenty (20) business days. The Purchasing Entity shall not be held responsible for payments on Orders delayed due to the Contractor's failure to provide such notice.

45. **Assignment of Contract.** The Contractor shall provide prior written notice to the State before assigning this Contract to another party. The State reserves the right to reasonably withhold approval of any such assignment. The terms and conditions of this Contract as well as any rights obligations and liabilities associated with such shall survive any and all assignments, mergers, or acquisitions by a third party until cancelled in writing by both parties.
46. **Contract Dispute Resolution.** In the event of any dispute or disagreement between the parties under this Contract, whether with respect to the interpretation of any provision of this Contract, or with respect to the performance of either party hereto, each party shall appoint a representative to meet for the purpose of endeavoring to resolve such dispute or negotiate for an adjustment to such provision. No legal action of any kind, except for the seeking of equitable relief in the case of the public's health, safety or welfare, may begin until the dispute resolution procedure has been utilized and either of the representatives in good faith concludes, after a good faith attempt to resolve the dispute, that amicable resolution through continued negotiation of the matter at issue does not appear likely. A Party must escalate a dispute or controversy by providing written notice to the other Party. Both Parties agree to attempt to resolve any dispute or controversy in good faith, which includes but is not limited to confidential communications towards dispute resolution. Except as required by law, neither Party nor its representatives may disclose the existence, content, or results of any dispute resolution efforts without the prior written consent of all Parties.
47. **Performance While Dispute is Pending.** Notwithstanding the existence of a dispute, the parties shall continue without delay to carry out all of their responsibilities under the Agreement that is not affected by the dispute. If a party fails to continue without delay to perform its responsibilities under the Agreement, in the accomplishment of all undisputed work, any additional cost incurred by the other parties as a result of such failure to proceed shall be borne by the responsible party.
48. **No Guarantee of Quantity.** The State may obtain related Goods and Services from other sources during the term of this Contract. The State makes no express or implied warranties whatsoever that any particular quantity or dollar amount of Goods or Services will be procured through this Contract.
49. **Termination of Purchase Order.** The State may terminate a specific Purchase Order issued under this Contract if it determines that the Contractor is unable to deliver the Goods required in a timely manner, in order to meet the business needs of the State.
50. **Time is of the Essence.** Timely provision of the Goods or Services required under this

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 16 of 18

Contract shall be of the essence of the Contract, including the provision of the Goods or Services within the time agreed or on a date specified.

51. **No Agency Relationship.** The Contractor shall not take any action, or make any omission, that may imply, or cause others reasonably to infer that the Contractor is acting as the State's agent in any matter or in any way not expressly authorized by this Contract.
52. **Other Documents.** The parties to this Contract understand and agree that standard forms or templates may be used for various purposes, including but not limited to, purchase orders, invoices, quotes, 'Website Terms and/or Conditions' or 'click to accept' agreement(s), some of which may contain boilerplate or standard terms and conditions ("Other Documents"). However, any use of Other Documents is not a part of this Contract and are deemed to be for administrative convenience only and the terms therein are of no effect, have no force of law and do not modify the terms of this Contract. Notwithstanding the foregoing, the website terms and conditions and click to accept agreements submitted as part of Contractors original solicitation are not deemed to be for administrative convenience only, and such terms shall apply.
53. **Rendering of Services.** The Contractor shall render Services with all due skill, care, and diligence, in accordance with accepted industry practices and legal requirements, and to the Purchasing Entity's satisfaction.

If the Purchasing Entity notifies the Contractor that any part of the Services rendered are inadequate or in any way differ from the Contract requirements for any reason other than as a result of the Purchasing Entity's Default or negligence, the Contractor shall at its own expense re-schedule and perform the work correctly within such reasonable time as agreed upon between the Purchasing Entity and Contractor. This remedy shall be in addition to any other remedies available to the State or Purchasing Entity by law or in equity.

54. **Standard of Care.** The Services of Contractor and its Subcontractors shall be performed in accordance with the commercially reasonable standard of care exercised by members of their respective professions having substantial experience providing similar services which similarities include the type, magnitude, and complexity of the Services that are the subject of this Contract.
55. **Security of Premises, Equipment, Data and Personnel.** During the performance of Services under this Contract, the Contractor may have access to the personnel, premises, equipment, and other property, including data files, information, or materials (collectively referred to as "data") belonging to the Purchasing Entity. The Contractor shall preserve the safety, security, and the integrity of the personnel, premises, equipment, data and other property of the Purchasing Entity, in accordance with the instruction of the Purchasing Entity as agreed to in writing. The Contractor shall be responsible for damage to the Purchasing Entity's equipment, workplace, and its contents, when such damage or loss is caused by the Contractor, Contracted Personnel, or Subcontractors, and shall reimburse the Purchasing Entity

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 17 of 18

accordingly upon demand.

56. Security Incident or Data Breach Notification.

- a. **Incident Response.** Contractor may need to communicate with outside parties regarding a Security Incident which may include contacting law enforcement and seeking external expertise as mutually agreed upon, defined by law, or contained in this Contract. Discussing Security Incidents shall be handled on an urgent as-needed basis, as part of Contractor's communication and mitigation processes, defined by law or contained in this Contract.
- b. **Security Incident Report Requirements.** Contractor shall report a Security Incident to the Purchasing Entity or designee immediately if Contractor reasonably believes there has been a Security Incident.
- c. **Breach Reporting Requirements.** If Contractor has actual knowledge of a confirmed Data Breach that affects the security of any Public Data that is subject to applicable data breach notification law, Contractor shall:
 - (a) promptly notify the Purchasing Entity or designee within 24 hours or sooner or as required by applicable law;
 - (b) take commercially reasonable measures to address the Data Breach in a timely manner and
 - (c) be responsible for its Data Breach responsibilities, as provided in the next Section.

57. Data Breach Responsibilities. This Section only applies when a Data Breach occurs. Contractor agrees to comply with all applicable laws that require the notification of individuals in the event of a Data Breach or other events requiring notification. In the event of a Data Breach or other event requiring notification, Contractor shall:

- a. cooperate with the Eligible User by sharing information relevant to the Data Breach;
- b. promptly implement necessary remedial measures, if necessary;
- c. document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in relation to the Data Breach; and
- d. in accordance with applicable laws indemnify, hold harmless, and defend the State of Wisconsin and/or Participating Entity against any claims, damages, or other harm related to such Data Breach.

If the Data Breach requires public notification, all communication shall be coordinated with the Purchasing Entity or designee. Contractor shall be responsible for all notification and remedial costs and damages where Contractor was gross negligent, reckless, or intentional conduct.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 18 of 18

58. **Payment Card Industry Data Security Standard and Cardholder Information Security.** Contractor assures all of its Network Components, Applications, Servers, and Subcontractors (if any) that store, process or transmit payment card information for the purchase of products and services under this Agreement comply with the Payment Card Industry Data Security Standard ("PCIDSS"). "Network Components" shall include, but are not limited to, Contractor's firewalls, switches, routers, wireless access points, network appliances, and other security appliances; "Applications" shall include, but are not limited to, all purchased and custom external (web) applications. "Servers" shall include, but are not limited to, all of Contractor's web, database, authentication, DNS, mail, proxy, and NTP servers. "Cardholder Data" shall mean any personally identifiable data associated with cardholder, including, by way of example and without limitation, a cardholder's account number, expiration date, name, address, social security number, or telephone number.

Contractor and Subcontractors (if any) must be responsible for the security of all Cardholder Data in its possession; and will only use Cardholder Data for assisting cardholders in completing a transaction, providing fraud control services, or for other uses specifically required by law. Contractor must have a business continuity program which conforms to the applicable PCIDSS to protect Cardholder Data in the event of a major disruption in its operations or in the event of any other disaster or system failure which may occur to operations; will continue to safeguard Cardholder Data in the event this Agreement terminates or expires; and ensure that a representative or agent of the payment card industry and a representative or agent of the State shall be provided with full cooperation and access to conduct a thorough security review of Contractor's operations, systems, records, procedures, rules, and practices in the event of an security intrusion in order to validate compliance with PCIDSS.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT B – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 1 of 4

Participating State Modifications or Additions to Participating Addendum.

1. Leases and Rentals.

- a. **Lease and Rental Administration.** Leases and Rentals will be administered by and payments made in accordance with Section 12 of Exhibit A.
- b. **Rates of Lease or Rental.** All Lease or Rental rates will not increase during the term of the lease or rental unless Product changes were made to increase the rate.
- c. **Lease Terms.** Term Rental – Installment Purchase (Option A), Fair Market Value/Rental – Operating Lease (Option B), Fair Market Value Lease (Option C) Leases and Rentals will be subject to the terms and conditions set forth in this Participating Addendum. A Purchasing Entity may lease Products under this Participating Addendum by issuance of an Order. The Order shall survive the termination of this Participating Addendum and the Master Agreement. Upon the Purchasing Entity's acceptance of any required delivery or Acceptance Testing, the Acceptance Testing period shall end.
- d. **Additional Lease Terms.** The following additional terms shall apply only to Orders for leasing or rental transactions (the "Lease Terms"). Notwithstanding anything to the contrary in this Participating Addendum, in the event of a conflict between the terms of an Order subject to the Order of Precedence outlined in Section 4 of Exhibit A will be applied.
 - (i) If required in a statement of work, Purchasing Entity agrees to confirm delivery, installation and rejection or acceptance of all Products covered by each Order for leasing by signing an acceptance certificate or rejecting the Product(s) after such product is installed and tested by the Purchasing Entity. By signing an acceptance certificate, Purchasing Entity shows acceptance of the Product(s) and allows Lessor to invoice for the Product(s). Purchasing Entity agrees to test, and return to Lessor either the signed acceptance certificate (which, at mutual agreement, may be done electronically) within ten (10) business days after any Product is installed or provide notice of Product rejection. Lessor shall provide written notice for an additional ten (10) business days to two contacts for the Purchasing Entity upon not receiving a response for an acceptance certificate or notice of Product rejection. If upon the second notice and ten (10) full business days following the second notice from Lessor to the Purchasing Entity fails to sign the acceptance certificate or reject the Products within the foregoing period, both parties shall discuss if the nonresponse shall be deemed as acceptance or Product rejection. If there are no acceptance criteria in a statement of work, then Section L.5 of the applicable lease shall apply.
 - (ii) The first scheduled payment (as specified in the applicable Order) ("Payment") will be due following delivery/installation plus five (5) business days (to ensure device functions properly) of the Products and within thirty (30) days of receipt of a properly submitted vendor invoice or such later date as Lessor may designate. The

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT B – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 2 of 4

remaining Payments will be due within thirty (30) days of receipt of a properly submitted vendor invoice, unless otherwise specified on the applicable Order.

- (iii) Purchasing Entity agrees that, except for non-appropriation of funds, EACH ORDER IS AN UNCONDITIONAL, NON-CANCELABLE AGREEMENT FOR THE MINIMUM TERM INDICATED ON ANY ORDER FOR LEASE MADE PURSUANT TO THIS PARTICIPATING ADDENDUM.
- (iv) Unless and to the extent the Purchasing Entity is exempt and provides a valid exemption certificate to Lessor, in addition to the payments under the applicable Order, Purchasing Entity agrees to pay all taxes imposed upon Lessor's purchase, ownership, possession, leasing, renting, operation, control or use of the Product.
- (v) Purchasing Entity is responsible for risk of loss for the Products.
- (vi) Each of the following is a "Default" under these Lease Terms and all Orders:
 - (a) Purchasing Entity fails to pay any Payment or any other amount within thirty (30) days of its due date and has not provided notice of a good faith dispute,
 - (b) any representation or warranty made by Purchasing Entity in these Lease Terms is false or incorrect and/or Purchasing Entity does not perform any of Purchasing Entity's other obligations under these Lease Terms or any Order and/or under any other agreement with Lessor and this failure continues for thirty (30) days after Lessor has notified Purchasing Entity of it,
 - (c) a petition is filed by or against Purchasing Entity or any guarantor under any bankruptcy or insolvency law or a trustee, receiver or liquidator is appointed for Purchasing Entity, any guarantor or any substantial part of Purchasing Entity's assets,
 - (d) Purchasing Entity or any guarantor makes an assignment for the benefit of creditors,
 - (e) any guarantor dies, stops doing business as a going concern or transfers all or substantially all of such guarantor's assets, or
 - (f) Purchasing Entity stops doing business as a going concern or transfer all or substantially all of Purchasing Entity's assets.
- (vii) If a Default occurs, Lessor may do one or more of the following:
 - (a) Lessor may cancel or terminate any or all Orders, and/or any or all other agreements that Lessor has entered into with Purchasing Entity;
 - (b) Lessor may require Purchasing Entity to immediately pay to Lessor, as compensation for loss of Lessor's bargain and not as a penalty, a sum equal to:
 - (i) all past due Payments and all other past due amounts payable under any Order; and
 - (ii) the present value total of all unpaid Payments for the remainder of the lease term, discounted at a rate equal to 6% per year to the date of default;
 - (c) Lessor may require Purchasing Entity to deliver the Product to Lessor.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT B – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 3 of 4

- (viii) AFTER THE MINIMUM TERM OR ANY EXTENSION OF ANY ORDER FOR LEASING, SUCH ORDER WILL IMMEDIATELY TERMINATE. Notwithstanding the foregoing, Purchasing Entity may extend the original term of any Order by issuance of an acceptable Order pursuant to the extension options outlined in the Participating Addendum prior to the expiration of the original term of such Order. A quotation shall be provided to the Purchasing Entity prior to the order for any extension. Quotations shall not be provided for a new lease or new equipment after the contract has expired. At the end of the applicable Order, Purchasing Entity will make the Product subject to such expired Order available to Lessor (or its designee) upon a mutually agreed upon time, in as good condition as when Purchasing Entity received it, except for ordinary wear and tear; except that for orders entered into under Option A-NASPO Valuepoint Term Rental Agreement at the end of the applicable Order, all of Lessor's right, title and interest in and to the Product shall automatically transfer to Purchasing Entity, and accordingly Purchasing Entity shall retain the Product without obligation to make it available to Lessor. Purchasing Entity may agree to pay additional monthly Payments for if the mutually agreed pickup is beyond the term of the lease with such payments at the same rate as then in effect under an Order, until the Product is received in good condition and working order by Lessor or its designees.
- e. An Order in effect at the time of Participating Addendum cancellation or termination will not be affected. Purchasing Entities will be obligated to complete their leases per the terms of the Contract regardless of the status of the Participating Addendum.
- f. The parties to this Participating Addendum understand and agree that standard forms or templates may be used for various purposes, including purchase orders, invoices, quotes, 'Website Terms and/or Conditions' or 'click to accept' agreement(s), some of which may contain boilerplate or standard terms and conditions ("Other Documents"). Any use of Other Documents are not a part of this Contract unless otherwise noted within this Participating Addendum and are deemed to be for administrative convenience only and the terms therein are of no effect, have no force of law and do not modify the terms of this Participating Addendum.
- g. The continuation of any lease or rental will be subject to and contingent upon sufficient funds being made available per section 27 of Exhibit A.
- h. Leased or rented equipment may be transferred to new locations within the State as provided in the applicable lease.
- i. The lease, rental, or maintenance shall not contain a balloon payment at the end of the term that the Purchasing Entity is obligated to pay. This does not preclude an option to purchase the equipment, per the contract terms. Additionally, this does not preclude an early termination fee as set forth in the applicable lease.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

EXHIBIT B – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 4 of 4

- j. The lease or rental shall not contain charges for early termination of the lease or rental unless the charges constitute actual damages or mutually agreed liquidated damages as outlined in Section L2.2 or L.11 of the applicable lease or rental. For a lease, any allowable charges for early termination may not exceed the balance of the remaining lease payments.

With respect to cancellation of a service contract, the parties agree that such termination charges will be equal or less than the two (2) month service and supply base or 25% of the remaining term, whichever is less.

No termination charges for a lease, rental, or service shall be applicable in the case of non-appropriation of funds.

- k. All cancellable rentals (Option B) may be cancelled upon 30 days written notice to the Contractor at any point during the rental term. The Contractor shall assess a fee of no more than three (3) monthly rental payments that are not to include service or supply base commitments for the cancellation of such order.
- l. In the event that the term of the lease, rental, or maintenance extends beyond the term of the Master Agreement and Participating Addendum, the terms and conditions of the Participating Addendum and Master Agreement shall continue to apply unless the parties specifically agree to the contrary, or a written, duly executed amendment to the lease rental, or maintenance is completed.
- m. At the end of term, Purchasing Entity shall have the option to:
- (i) renew the Order; or
 - (ii) purchase the Product, "as is, and where is" for fair market value; or
 - (iii) return the Product.

If the Purchasing Entity desires to exercise a renewal or purchase of the Product, it shall give Lessor written notice at least sixty (60) days before the expiration of such lease term. Notwithstanding anything to the contrary, if Purchasing Entity fails to notify Lessor of its intent with respect to the exercise of a renewal or purchase option, the initial schedule term should be terminated on the date as stated in the schedule and removal of the Product will be mutually arranged, except in the case of orders entered into under Option A-NASPO Valuepoint Term Rental Agreement under which title to the applicable Product shall transfer to Purchasing Entity, the Product will not be returned and the related Order will not be renewed.

**PARTICIPATING ADDENDUM
 NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
 Mailroom Equipment, Supplies and Maintenance
 Administered by the State of Arizona (hereinafter "Lead State")**

Attachment A - Pitney Bowes - ADSP016-169897
 Participating State Contract #505ENT-018-NASPOMAILEQ-03

SUMMARY OF LEASING/RENTAL PROGRAMS UNDER ADSP016-169897

Pitney Bowes Global Financial Services offers a variety of equipment leasing and lease/rental programs to enable your agency to acquire the equipment it needs with the innovative financing solution that works best for you. This Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSP016-00006328 to Pitney Bowes Inc.

TERM RENTAL (INSTALLMENT PURCHASE) - Option A

This program provides a 36, 48 or 60 Month Lease and is available only to city and state agencies, such as public-school districts, municipal hospitals, police and fire departments. Due to the tax-exempt status of the Lessee, rates are much lower than standard Fair Market Value Lease rates. Title to the Equipment passes up front and at the end of the lease term, lessee owns the equipment (excluding meter). (Non-profits, private universities & schools and non-State or Local agencies are excluded from this program). Sales & Purchase Tax will be charged, if required under Your State Statute.

FAIR MARKET VALUE/Rental (OPERATING LEASE) - Option B This program provides you with 36, 48 or 60 Month Rental. At the end of the rental period, you may purchase the equipment at the end of the Rental for its then Fair Market Value, or you can enter into a new Rental term or return the equipment. This includes cancellation for convenience with a termination charge of 90-day notice of cancellation and pay one quarterly payment. Sales & Purchase Tax will be charged, if required under Your State Statute.

FAIR MARKET VALUE LEASE - Option C

This program provides you with a 36, 48 or 60 Month lease term with the option to purchase the equipment at the end of the lease for its then Fair Market Value, or you can continue leasing the equipment based on its Fair Market Value, or return the equipment. Sales & Purchase Tax will be charged, if required under Your State Statute.

Example of lease/rental payments based on a \$10,000.00 equipment price:

MONTHLY LEASE RATES			
TERM	OPTION A	OPTION B	OPTION C
36	0.0326	0.0377	0.0342
48	0.0257	0.0309	0.0277
60	0.0216	0.0270	0.0237

MONTHLY LEASE PAYMENT BASED ON \$10,000.00 TRANSACTION*			
TERM	OPTION A	OPTION B	OPTION C
36	\$ 326.00	\$ 377.00	\$ 342.00
48	\$ 257.00	\$ 309.00	\$ 277.00
60	\$ 216.00	\$ 270.00	\$ 237.00

*Monthly payment excludes any Sales and or Purchase Tax. Sales and/or Purchase Tax will be charged, if required under Your State Statute.

**PARTICIPATING ADDENDUM
 NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
 Mailroom Equipment, Supplies and Maintenance
 Administered by the State of Arizona (hereinafter "Lead State")**

**Attachment A – Pitney Bowes – ADSP016-169897
 Participating State Contract #505ENT-018-NASPOMAILEQ-03**

SPECIAL COTERMINOUS LEASE RATES (for SMB only)

Pitney Bowes can offer to our current leasing customers the opportunity to enter into a "coterminous lease" for the purposes of acquiring additional accessories and solutions for their current equipment. The term of the lease will be consistent with the number of months remaining on the lease contract for the existing equipment. For example, a customer with 18 months remaining on a lease will be offered an 18-month lease for additional accessories or solutions. Invoices will show two separate line items reflecting the current machine lease and the new coterminous lease. The coterminous lease will be subject to the same terms and conditions as the original lease. Below are the monthly co-terminous lease rates for NASPO ValuePoint ADSP016-169897 Financing Option A, Option B, and Option C.

TERM	OPTION A	OPTION B	OPTION C
12	0.08825	0.09312	0.08981
15	0.07153	0.07638	0.07308
18	0.06039	0.06525	0.06194
21	0.05244	0.05732	0.05400
24	0.04648	0.05139	0.04804
27	0.04185	0.04680	0.04341
30	0.03815	0.04313	0.03972
33	0.03513	0.04015	0.03671
36	0.03260	0.03770	0.03420
39	0.03048	0.03560	0.03210
42	0.02866	0.03382	0.03028
45	0.02709	0.03230	0.02871
48	0.02570	0.03090	0.02770
51	0.02450	0.02980	0.02615
54	0.02343	0.02880	0.02510
57	0.02247	0.02786	0.02414

**PARTICIPATING ADDENDUM
 NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
 Mailroom Equipment, Supplies and Maintenance
 Administered by the State of Arizona (hereinafter "Lead State")**

**Attachment A – Pitney Bowes – ADSP016-169897
 Participating State Contract #505ENT-018-NASPOMAILEQ-03**

OPTION A -- NASPO VALUEPOINT TERM RENTAL (INSTALLMENT PURCHASE) LEASE TERMS AND CONDITIONS:

Pricing Plan for the NASPO ValuePoint Term Rental (Installment Purchase) Lease Terms and Conditions is as follows:

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSP016-169897, as amended, and will be the Lessor under this Term Rental (Installment Purchase) Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own a Meter. This Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSP016-00006328- to Pitney Bowes Inc.

Monthly Rate Factors:	
Term:	Lease Rate:
36	.0326
48	.0257
60	.0216

Total Value of the Order multiplied by the applicable Monthly Rate Factor = (Monthly Equipment Lease Payment, plus applicable monthly meter rental and value based service fees, plus the monthly cost of service maintenance for years 2 thru end of initial term, plus any applicable taxes multiplied by three (3) months = equals the Quarterly payment.

For further clarification a 36-month lease based on a \$10,000 equipment order the Quarterly payment would equal a \$326.00 monthly equipment lease payment multiplied by 3 months equaling a \$978 Quarterly lease payment. Applicable quarterly cost of service maintenance for years 2 thru end of initial term, quarterly meter rental and value based services fees, plus any taxes, if applicable, would be added to the Quarterly payment.

L1. DEFINITIONS

L1.1 The following terms mean:

- "Agreement" - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-169897, as amended, these terms and conditions, and any attached exhibits.
- "Bank"- The Pitney Bowes Bank, Inc.
- "Consumable Supplies" - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.
- "Covered Equipment" - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, Usage-based Equipment, or any standalone software, and SendKit equipment.
- "Delivery Date" - the date the Equipment or other item is delivered to your location.
- "Effective Date" - the date the Order is received by us.
- "Equipment" - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.
- "Initial Term" - the lease period listed on the Order
- "Install Date" - the date the Equipment or other item is installed at your location.
- "Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P or C series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- "Lease" - the Order and this NASPO ValuePoint Term Rental (Installment Purchase) Lease Terms and Conditions.
- "Maintenance Service" - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.

- "Master Agreement" – NASPO ValuePoint Master Agreement ADSP016-169897 Mail Room Equipment, Services and Maintenance contract, as amended, administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.
- "NASPO ValuePoint" – NASPO ValuePoint Cooperative Purchasing Organization LLC, a wholly owned subsidiary of National Association of State Procurement Officials (NASPO).
- "Order" - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.
- "PBGFS" - Pitney Bowes Global Financial Services LLC or a wholly-owned subsidiary of Pitney Bowes Inc.
- "PBI" - Pitney Bowes Inc.
- "Pitney Bowes" – PBI, PBGFS and their respective subsidiaries.
- "Postage Meter Rental Agreement" – an agreement governing the use and rental of a Meter you enter into with us.
- "SLA" - the Service Level Agreement.
- "SLMA" – a Software License and Maintenance Agreement you enter into with us
- "SOW" – a Statement of Work you enter into with us.
- "State Participating Addendum" the bilateral agreement executed by us and your participating state incorporating the Master Agreement.
- "Usage-based Equipment" - equipment for which charges are based on volume of use
- "USPS" – the United States Postal Service.
- "We," "Our," or "Us" – the Pitney Bowes company with whom you've entered into the Order.
- "You," "Your," "Lessee," or "Customer" – the entity identified on the Order.

L2. AGREEMENT

- L2.1 You are leasing the Equipment listed on the Order.
- L2.2 You may not cancel this Lease for any reason except as

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

expressly set forth in Section L10 below, all payment obligations are unconditional.

- L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.
- L2.4 You authorize us to file a Uniform Commercial Code financing statement naming you as debtor/lessee with respect to the Equipment.

L3. PAYMENT TERMS

- L3.1 We will invoice you in arrears each month for all payments on the Order (each, a "Quarterly Payment"), except as provided in any SOW attached to this Order. You will make each Quarterly Payment by the due date shown on our invoice.
- L3.2 Your Quarterly Payment may include an origination fee, amounts carried over from a previous unexpired lease, SLMA fees and other charges.
- L3.3 Any Meter rental fees and SLA fees (collectively "PBI Payments"), will be included with your Quarterly Payment and begin with the start of the Lease Term (as defined below). After the Initial Term, your Quarterly Payment will increase if your PBI Payments increase.
- L3.4 Your obligations, including your obligation to pay the Quarterly Payments due in any fiscal year during the term of this Agreement, shall constitute a current expense for such fiscal year and shall not constitute indebtedness within the meaning of the constitution and laws of the state in which you are located. Nothing herein shall constitute a pledge by you of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for your benefit for this Agreement) to the payment of any Total Payment due under this Agreement.

L4. EQUIPMENT OWNERSHIP

- L4.1 PBI owns any Meter. Title to the Equipment shall pass to you upon installation. However, you and we agree that title shall automatically revert to us in the event of default, or termination due to your non- appropriation under Section L10.

L5. TERM

- L5.1 This Agreement shall commence on the date of delivery and shall continue until the earlier of (i) termination at our option upon the occurrence of an event of default, or (ii) the occurrence of an event of a non-appropriation under Section L10, or (iii) the expiration of the Term and your payment of all Quarterly Payments and other sums due and your fulfillment of all other obligations under this Agreement.

L6. SURRENDER OF EQUIPMENT

- L6.1 If you default, or terminate this Agreement by non-appropriation under Section L10, you, at your expense, shall return all Equipment by delivering it to us in the same condition as when delivered to you, reasonable wear and tear excepted, to such place or on board such carrier, packed for shipping, as we may specify. Until the Equipment is returned as required above, all terms of this Agreement remain in effect including, without limitation, your obligations to make payments relating to your continued use of the Equipment and to insure the Equipment.

L7. WARRANTY AND LIMITATION OF LIABILITY

- L7.1 PBGFS AND THE BANK MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT.
- L7.2 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.
- L7.3 PBI provides you with the warranty as provided in the Master Agreement and as follows:
- (a) PBI warrants that the Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of one-year (360) days from the date of acceptance (the "Warranty Period").
 - (b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.
 - (c) Your remedy in the event of any warranty claim is as provided within the Master Agreement.
 - (d) A "defect" does not include the failure of rates within a rate update to conform to published rates.
 - (e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI's recommendations, damage in transit, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.
 - (f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
 - (g) The warranty does not cover Consumable Supplies.

L8. EQUIPMENT OBLIGATIONS

- L8.1 Condition and Repairs. You will keep the Equipment free from liens and in good repair, condition, and working order.
- L8.2 Inspection. We may inspect the Equipment and related maintenance records.
- L8.3 Location. You may not move the Equipment from the location specified on the Order without our prior written consent which will not be unreasonably withheld.

L9. RISK OF LOSS

- L9.1 Risk of Loss.
- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
 - (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
 - (c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment A - Pitney Bowes - ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 5 of 11

("Insurance")

- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE.

L10. NON-APPROPRIATION

L10. See Master Agreement - Section 7.2 State of Arizona Uniform Terms and Conditions, Par 4.4. Availability of Funds for the Next State fiscal year and Par 4.5. Availability of Funds for the current State fiscal year.

L11. REPRESENTATIONS

L11.1 You hereby represent and warrant that (a) you are a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"); and (b) you have the power and authority under applicable law to enter into this Agreement and you have been duly authorized to execute and deliver this Agreement and carry out your obligations hereunder. You acknowledge that a portion of each Quarterly Payment you shall pay includes interest and that this Agreement is entered into based on the assumption that the interest portion of each Quarterly Payment is not includible in gross income of the owner thereof for Federal income tax purposes under Section 103(a) of the Code. You shall, at all times, do and perform all acts and things necessary and within your control in order to assure that such interest component shall be so excluded. If any interest is determined not to be excludible from gross income, your Quarterly Payment shall be adjusted in an amount sufficient to maintain our original after-tax yield utilizing our consolidated marginal tax rate, which adjusted Quarterly Payments you agree to pay as provided in this Agreement, subject to Section L10. The rate at which the interest portion of Quarterly Payments is calculated is not intended to exceed the maximum rate or amount of interest permitted by applicable law. If such interest portion exceeds such maximum, then at our option, if permitted by law, the interest portion will be reduced to the legally permitted maximum amount of interest, and any excess will be used to reduce the principal amount of your obligation or be refunded to you. You shall not do (or cause to be done) any act which will cause, or by omission of any act allow, this Agreement to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or a "private activity bond" within the meaning of Section 141(a) of the Code. At the time of your execution of this Agreement, you shall provide us with a properly prepared and executed copy of the appropriate US Treasury Form 8038-G or 8038-GC and you appoint us as your agent for the purpose of maintaining a registration system as required by Section 149(a) of the Code. This Section shall survive the termination of this Agreement.

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT, THE METER OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH WILL NOT BE UNREASONABLY WITHHELD.
- L12.3 We may sell, or assign all or any part of this Lease or the Equipment. Any sale or assignment will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI
- L12.6 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third-party software.
- L12.7 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO16-169897, as amended, this Agreement shall prevail.
- L12.8 The Connect+ and SendPro P or C Series mailing system may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ and SendPro P or C Series mailing system and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction
- L12.9 We will provide you with a welcome letter by email.

**PARTICIPATING ADDENDUM
 NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
 Mailroom Equipment, Supplies and Maintenance
 Administered by the State of Arizona (hereinafter "Lead State")**

**Attachment A – Pitney Bowes – ADSP016-169897
 Participating State Contract #505ENT-018-NASPOMAILEQ-03**

OPTION B -- NASPO VALUEPOINT FMV RENTAL TERMS AND CONDITIONS:

The Pricing Plan for the NASPO ValuePoint Fair Market Value Rental Terms and Conditions is as follows:

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSP016-169897, as amended, and will be the Lessor under this Fair Market Value Rental Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own a Meter. This Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSP016-00006328- to Pitney Bowes Inc.

Monthly Rate Factors:	
Term:	Lease Rate:
36	.0377
48	.0309
60	.0270

Total Value of the Order multiplied by the applicable Monthly Rate Factor = Monthly Equipment Payment, plus applicable monthly meter rental and value based service fees, plus the monthly cost of service maintenance for years 2 thru end of initial term, plus any applicable taxes. multiplied by three (3) months = equals the Quarterly Payment.

For further clarification a 36-month rental based on a \$10,000 equipment order would equal a \$377.00 monthly equipment payment multiplied by 3 months equaling a \$1,131 quarterly lease payment. Applicable quarterly cost of service maintenance for years 2 thru end of initial term, quarterly meter rental and value based services fees, plus any taxes, if applicable, would be added to the Quarterly payment.

L1. DEFINITIONS

L1.1 The following terms mean

- "Agreement" - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-169897, as amended, these terms and conditions, and any attached exhibits.
- "Bank"- The Pitney Bowes Bank, Inc.
- "Consumable Supplies" - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.
- "Covered Equipment" - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, or any standalone software, and SendKit equipment.
- "Delivery Date" - the date the Equipment or other item is delivered to your location.
- "Effective Date" - the date the Order is received by us.
- "Equipment" - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.
- "Initial Term" - the lease period listed on the Order
- "Install Date" - the date the Equipment or other item is installed at your location.
- "Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P or C series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- "Lease" – the Order and this NASPO ValuePoint Fair Market Value Rental Terms and Conditions.
- "Maintenance Service" - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.
- "Master Agreement" – NASPO ValuePoint Master Agreement ADSP016-169897 Mail Room Equipment, Supplies and

- Maintenance contract, as amended, administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.
- "NASPO ValuePoint" – NASPO ValuePoint Cooperative Purchasing Organization LLC, a wholly owned subsidiary of National Association of State Procurement Officials (NASPO).
- "Order" - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.
- "PBGFS" - Pitney Bowes Global Financial Services LLC. "PBI" - Pitney Bowes Inc.
- "Pitney Bowes" – PBGFS and its subsidiaries, and PBI.
- "Postage Meter Rental Agreement" – an agreement governing the use and rental of a Meter you enter into with us.
- "SLA" - the Service Level Agreement.
- "SLMA" – a Software License and Maintenance Agreement you enter into with us
- "SOW" – a Statement of Work you enter into with us.
- "State Participating Addendum" the bilateral agreement executed by us and your participating state incorporating the Master Agreement.
- "We," "Our," or "Us" – the Pitney Bowes company with whom you've entered into the Order.
- "You," "Your," "Lessee," or "Customer" – the entity identified on the Order.

L2. AGREEMENT

- L2.1 You are leasing the Equipment listed on the Order.
- L2.2 **You may not cancel this Lease for any reason except as expressly set forth in Sections L10 and L11 below, all payment obligations are unconditional.**
- L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 7 of 11

collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.

L2.4 You authorize us to file a Uniform Commercial Code financing statement naming you as debtor/lessee with respect to the Equipment.

L3. PAYMENT TERMS AND OBLIGATIONS

L3.1 We will invoice you in arrears each quarter for all payments on the Order (each, a "Quarterly Payment"), except as provided in any statement of work attached to the Order. You will make each Quarterly Payment by the due date shown on our invoice.

L3.2 Your Quarterly Payment may include an origination fee, amounts carried over from a previous unexpired lease, SLMA fees and other charges.

L3.3 Any Meter rental fees and SLA fees (collectively "PBI Payments"), will be included with your Quarterly Payment and begin with the start of the Lease Term (as defined below). After the Initial Term, your Quarterly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

We own the Equipment. PBI owns any Meter. Except as stated in Section L6, you will not have the right to become the owner of the Equipment at the end of this Agreement.

L5. LEASE TERM

The Lease term is the number of months stated on the Order ("Lease Term"). The Lease Term will commence on the date the Equipment is delivered, if we do not install the Equipment. If we install the Equipment, the Lease Term will commence on the installation date.

L6. END OF LEASE OPTIONS

L6.1 During the 90 days before your Lease ends, you may, if not in default, select one of the following options:

- (a) enter into a new lease with us;
- (b) purchase the Equipment "as is, where is" for fair market value; or
- (c) return the Equipment and Meter in its original condition, reasonable wear and tear excepted and pay us our then applicable processing fee. If you return the Equipment and Meter, you will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to such service carrier as we specify to pick up and ship them to us.

L6.2 If you do not select one of the options in Section L6.1, you will be deemed to have agreed to enter into month to month extensions of the term of this Agreement. You may choose to cancel the automatic extensions by giving us 120 days prior written notice before the Lease expires (unless the law requires the notice period to be shorter). Upon cancellation, you agree to either return all items pursuant to Section L6.1(c) or purchase the Equipment.

L7. WARRANTY AND LIMITATION OF LIABILITY

L7.1 PBGFS AND THE BANK MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT.

L7.2 PBI provides you with the warranty as provided in the Master Agreement and as follows:

- (a) PBI warrants that the Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of one-year (360) days from the date of acceptance (the "Warranty Period").
- (b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.
- (c) Your remedy in the event of any warranty claim is as provided within the Master Agreement.
- (d) A "defect" does not include the failure of rates within a rate update to conform to published rates.
- (e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI's recommendations, damage in transit, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.
- (f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
- (g) The warranty does not cover Consumable Supplies.

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

L8. EQUIPMENT OBLIGATIONS

L8.1 Condition and Repairs. You will keep the Equipment free from liens and in good repair, condition, and working order.

L8.2 Inspection. We may inspect the Equipment and related maintenance records.

L8.3 Location. You may not move the Equipment from the location specified on the Order without our prior written consent which will not be unreasonably withheld.

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
- (c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance") or (ii) be enrolled in PBGFS' ValueMAX program described in Section 9.1(d).
- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 8 of 11

US WITH EVIDENCE OF INSURANCE. If you do not provide evidence of Insurance and have not previously enrolled in our equipment replacement program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.

- (e) We will provide written notice reminding you of your Insurance obligations described above in Section L9.1(c).
- (f) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (g) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (h) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

- L10.1 See Master Agreement – - Section 7.2 State of Arizona Uniform Terms and Conditions, Par 4.4. Availability of Funds for the Next State fiscal year and Par 4.5. Availability of Funds for the current State fiscal year.

L11. EARLY TERMINATION

- L11.1 You further warrant that you intend to enter into this Lease for the entire Stated Term and you acknowledge that we have relied upon such represented intention when determining the applicable pricing plan.
Cancelable Lease – Cancel with three-month penalty on rental payment per the Master Agreement.

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR

THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID.

- L12.3 We may sell, assign, or transfer all or any part of this Lease or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSP016-169897, as amended, this Agreement shall prevail.
- L12.6 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.
- L12.7 Our Equipment may contain embedded software. You agree: that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third-party software.
- L12.8 The Connect+ or SendPro™ P or C series mailing system may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ or SendPro™ P or C series mailing system and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.
- L12.9 We will provide you with a welcome letter by email.

**PARTICIPATING ADDENDUM
 NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
 Mailroom Equipment, Supplies and Maintenance
 Administered by the State of Arizona (hereinafter "Lead State")**

**Attachment A – Pitney Bowes – ADSP016-169897
 Participating State Contract #505ENT-018-NASPOMAILEQ-03**

OPTION C -- NASPO VALUEPOINT FAIR MARKET VALUE LEASE TERMS AND CONDITIONS:

The Pricing Plan for the NASPO ValuePoint Fair Market Value Lease Terms and Conditions is as follows:

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSP016-169897, as amended, and will be the Lessor under this Fair Market Value Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own a Meter. This Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSP016-00006328- to Pitney Bowes Inc.

Monthly Rate Factors:	
Term:	Lease Rate:
36	.0342
48	.0277
60	.0237

Total Value of the Order multiplied by the applicable Monthly Rate Factor = Monthly Equipment Lease Payment, plus applicable monthly meter rental and value based service fees, plus the monthly cost of service maintenance for years 2 thru end of initial term, plus any applicable taxes, multiplied by three (3) months = equals the Quarterly Payment.

For further clarification a 36-month lease based on a \$10,000 equipment order would equal a \$342.00 monthly equipment lease payment multiplied by 3 months equaling a \$1,026 quarterly lease payment. Applicable quarterly cost of service maintenance for years 2 thru end of initial term, quarterly meter rental and value based services fees, plus any taxes, if applicable, would be added to the Quarterly payment.

L1. DEFINITIONS

L1.1 The following terms mean:

- Agreement - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-169897, as amended, these terms and conditions, and any attached exhibits.
- Bank - The Pitney Bowes Bank, Inc.
- Consumable Supplies - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.
- Covered Equipment - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, or any standalone software, and SendKit equipment.
- Delivery Date - the date the Equipment or other item is delivered to your location.
- Effective Date - the date the Order is received by us.
- Equipment - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.
- Initial Term - the lease period listed on the Order
- Install Date - the date the Equipment or other item is installed at your location.
- Meter - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P or C series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- Lease - the Order and this NASPO ValuePoint Fair Market Value Lease Terms and Conditions.
- Maintenance Service - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.

- Master Agreement - NASPO ValuePoint Master Agreement ADSP016-169897 Mail Room Equipment, Supplies and Maintenance contract, as amended, administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.
- NASPO ValuePoint - NASPO ValuePoint Cooperative Purchasing Organization LLC, a wholly owned subsidiary of National Association of State Procurement Officials (NASPO).
- Order - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.
- PBGFS - Pitney Bowes Global Financial Services LLC. PBI - Pitney Bowes Inc.
- Pitney Bowes - PBGFS and its subsidiaries, and PBI.
- Postage Meter Rental Agreement - an agreement governing the use and rental of a Meter you enter into with us.
- SLA - the Service Level Agreement.
- SLMA - a Software License and Maintenance Agreement you enter into with us
- SOW - a Statement of Work you enter into with us.
- State Participating Addendum - the bilateral agreement executed by us and your participating state incorporating the Master Agreement.
- We, Our, or Us - the Pitney Bowes company with whom you've entered into the Order.
- You, Your, Lessee, or Customer - the entity identified on the Order.

L2. AGREEMENT

- L2.1 You are leasing the Equipment listed on the Order.
- L2.2 **You may not cancel this Lease for any reason except as expressly set forth in Sections L10 and L11 below, all payment obligations are unconditional.**
- L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

Page 10 of 11

of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.

L2.4 You authorize us to file a Uniform Commercial Code financing statement naming you as debtor/lessee with respect to the Equipment.

L3. PAYMENT TERMS

L3.1 We will invoice you in arrears each quarter for all payments on the Order (each, a "Quarterly Payment"), except as provided in any statement of work attached to the Order. You will make each Quarterly Payment by the due date shown on our invoice.

L3.2 Your Quarterly Payment may include an origination fee, amounts carried over from a previous unexpired lease, SLMA fees and other charges.

L3.3 Any Meter rental fees and SLA fees (collectively "PBI Payments"), will be included with your Quarterly Payment and begin with the start of the Lease Term (as defined below). After the Initial Term, your Quarterly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

We own the Equipment. PBI owns any Meter. Except as stated in Section L6, you will not have the right to become the owner of the Equipment at the end of this Agreement.

L5. LEASE TERM

The Lease term is the number of months stated on the Order ("Lease Term"). The Lease Term will commence on the date the Equipment is delivered, if we do not install the Equipment. If we install the Equipment, the Lease Term will commence on the installation date.

L6. END OF LEASE OPTIONS

L6.1 During the 90 days before your Lease ends, you may, if not in default, select one of the following options:

- (a) enter into a new lease with us;
- (b) purchase the Equipment "as is, where is" for fair market value; or
- (c) return the Equipment and Meter in its original condition, reasonable wear and tear excepted and pay us our then applicable processing fee. If you return the Equipment and Meter, you will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to such service carrier as we specify to pick up and ship them to us.

L6.2 If you do not select one of the options in Section L6.1, you will be deemed to have agreed to enter into month to month extensions of the term of this Agreement. You may choose to cancel the automatic extensions by giving us 120 days prior written notice before the Lease expires (unless the law requires the notice period to be shorter). Upon cancellation, you agree to either return all items pursuant to Section L6.1(c) or purchase the Equipment.

L7. WARRANTY AND LIMITATION OF LIABILITY

L7.1 PBGFS AND THE BANK MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR

INFRINGEMENT.

L7.2 PBI provides you with the warranty as provided in the Master Agreement and as follows:

- (a) PBI warrants that the Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of one-year (360) days from the date of acceptance (the "Warranty Period").
- (b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.
- (c) Your remedy in the event of any warranty claim is as provided within the Master Agreement.
- (d) A "defect" does not include the failure of rates within a rate update to conform to published rates.
- (e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI's recommendations, damage in transit, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.
- (f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
- (g) The warranty does not cover Consumable Supplies.

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

L8. EQUIPMENT OBLIGATIONS

L8.1 Condition and Repairs. You will keep the Equipment free from liens and in good repair, condition, and working order.

L8.2 Inspection. We may inspect the Equipment and related maintenance records.

L8.3 Location. You may not move the Equipment from the location specified on the Order without our prior written consent which will not be unreasonably withheld.

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
- (c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance") or (ii) be enrolled in PBGFS' ValueMAX program described in Section 9.1(d).

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment A – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE. If you do not provide evidence of Insurance and have not previously enrolled in our equipment replacement program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- (e) We will provide written notice reminding you of your Insurance obligations described above in Section L9.1(c).
- (f) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (g) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (h) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

- L10.1 See Master Agreement – Section 7.2 State of Arizona Uniform Terms and Conditions, Par 4.4. Availability of Funds for the Next State fiscal year and Par 4.5. Availability of Funds for the current State fiscal year.

L11. EARLY TERMINATION

- L11.1 You further warrant that you intend to enter into this Lease for the entire Stated Term and you acknowledge that we have relied upon such represented intention when determining the applicable pricing plan. If you cancel or terminate this Lease prior to expiration of the Stated Term (other than for non-appropriations), you shall pay a termination charge equal to the net present value of the monthly payments remaining through the completion of the term, discounted to present value at a rate of 6% per year.

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID.

- L12.3 We may sell, assign, or transfer all or any part of this Lease or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSP016-169897, as amended, his Agreement shall prevail.
- L12.6 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.
- L12.7 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third-party software.
- L12.8 The Connect+ and SendPro P or C Series mailing system may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ and SendPro P or C Series mailing system and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.
- L12.9 We will provide you with a welcome letter by email.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment B – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

NASPO VALUEPOINT ADSP016-169897
POSTAGE METER RENTAL TERMS AND CONDITIONS

Page 1 of 3

1. DEFINITIONS

As used in this Agreement, the following terms mean:

"Agreement" – the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-169897, as amended, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

"Initial Term" - the rental period listed on the Order.

"Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.

"Master Agreement" – NASPO ValuePoint Master Agreement ADSP016-169897 Mail Room Equipment, Services and Maintenance contract, as amended, administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

"NASPO ValuePoint" – NASPO ValuePoint Cooperative Purchasing Organization LLC, a wholly owned subsidiary of National Association of State Procurement Officials (NASPO).

"Order" - the executed order between the applicable Pitney Bowes company and you for the products covered by the order.

"PBGFS" - Pitney Bowes Global Financial Services LLC or a wholly-owned subsidiary of Pitney Bowes Inc.

"PBI," "We," "Our," or "Us" - Pitney Bowes Inc.

"Reserve Account" – the Postage By Phone® Reserve Account that you maintain at the Bank.

"State Participating Addendum" – the bilateral agreement executed by us and your participating state incorporating the Master Agreement.

"USPS" – the United States Postal Service.

"You," or "Your" - the person identified on the Order who is renting a Meter or purchasing services.

2. METER RENTAL

2.1 Fees

- (a) We will invoice you the Meter rental ("rental") fees listed on the Order.
- (b) After the Initial Term, we may increase the rental fees in accordance with the Master Agreement.
- (c) When you receive notice of an increase, you may terminate this Agreement as of the date the increase becomes effective.
- (d) If you do not pay the fees when due or you do not comply with the Agreement, we may disable the Meter, terminate the Agreement, retake the Meter, and collect from you all fees due through the termination date of the Agreement.
- (e) You are responsible for paying any taxes on the Meter and services, including sales and use tax, unless a valid tax exemption certification acceptable to the applicable taxing authority is provided.

2.2 Postage

- (a) You may transfer funds to the Bank for deposit into your Reserve Account or you may transfer funds to the United States Postal Service ("USPS") through a lockbox bank ("Lockbox Bank"). See section U1 for details.

- (b) If you participate in any optional PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter rental fees.
- (c) If you purchase postage through a Lockbox Bank, the USPS is responsible for refunds of unused postage and those refunds will be made in accordance with then current USPS regulations.

2.3 Terms of Use: Federal Regulations

- (a) You may use the Meter solely for the purpose of processing your mail, provided that you are authorized by the USPS to use the Meter, and that you comply with (i) this Agreement, (ii) any operator guide and (iii) all USPS regulations.
- (b) You agree to use only attachments or printing devices authorized by us.
- (c) You must receive our written consent before moving the Meter to a different location.
- (d) Federal regulations require that we own the Meter.
- (e) Tampering with or misusing the Meter is a violation of federal law.
- (f) Activities of the USPS including the payment of refunds for postage by the USPS to clients will be made in accordance with the current Domestic Mail Manual.
- (g) If the Meter is used in any unlawful scheme, or is not used for any consecutive 12-month period, or if you take the Meter or allow the Meter to be taken outside the United States without proper written permission of USPS Headquarters, or if you otherwise fail to abide by the postal regulations and this Agreement regarding care and use of the Meter, then this Agreement and any related Meter rental may be revoked. You acknowledge that any use of this Meter that fraudulently deprives the USPS of revenue can cause you to be subject to civil and criminal penalties applicable to fraud and/or false claims against the United States. The submission of a false or fraudulent statement can result in imprisonment of up to 5 years and fines of up to \$10,000 (18 U.S.C. 1001) and a civil penalty of up to \$5,000 plus an assessment of twice the amount falsely claimed (3 U.S.C. 3802). The mailing of matter bearing a fraudulent postage meter imprint is an example of a violation of these statutes.
- (h) You are responsible for immediately reporting (within 72 hours or less) the theft or loss of the Meter to us. Failure to comply with this notification provision in a timely manner may result in the denial of refund of any funds remaining on the Meter at the time of loss or theft.
- (i) You understand that the rules and regulations regarding the use of this Meter as documented in the Domestic Mail Manual may be updated from time to time by the USPS and it is your obligation to comply with any rules and regulations regarding its use.

2.4 Care and Risk of Loss

- (a) You agree to take proper care of the Meter(s).
- (b) You assume all risk of loss or damage to the Meter while you have possession.

2.5 Rate Updates and Soft-Guard® Program

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING PROGRAM
Mailroom Equipment, Supplies and Maintenance
Administered by the State of Arizona (hereinafter "Lead State")

Attachment B – Pitney Bowes – ADSP016-169897
Participating State Contract #505ENT-018-NASPOMAILEQ-03

NASPO VALUEPOINT ADSP016-169897
POSTAGE METER RENTAL TERMS AND CONDITIONS

Page 2 of 3

- (a) Your Meter may require periodic rate information updates that you can obtain under our Soft-Guard® program.
- (b) The Soft-Guard® Subscription, we will provide up to 6 rate updates during each 12-month period following the date of installation.
- (c) We will provide rate updates only if required due to a postal or carrier change in rate, service, Zip Code or zone change.
- (d) Your Soft-Guard® Subscription does not cover any change in rates due to custom rate changes, new classes of carrier service, or a change in Zip Code or zone due to equipment relocation.
- (e) We will not be responsible for any losses arising out of or resulting from the failure of rating or software downloads to conform to published rates.
- 2.6 **Repair or Replacement**
- (a) If the Meter malfunctions or fails due to reasons other than your negligence or accident, usage which exceeds our recommendations, use of Meter in a manner not authorized by this Agreement or any operator guide, use of equipment in an environment with unsuitable humidity and/or line voltage, damage in transit, virus contamination or loss of data, loss or fluctuation of power, fire, flood or other natural causes, external forces beyond our control, sabotage or service by anyone other than us, failure to use applicable software updates, use of Meter with any system for which we have advised you we will no longer provide support or which we have advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to Meter (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images
- (b) REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY.
- 2.7 **LIMITATION OF LIABILITY**
See – Master Agreement
- 2.8 **Collection of Information**
- (a) You authorize us to access and download information from your Meter and we may disclose this information to the USPS or other governmental entity.
- (b) We will not share with any third parties (except the USPS or other governmental entity) individually identifiable information that we obtain about you in this manner unless required to by law or court order.
- (c) We may elect to share aggregate data about our customers' postage usage with third parties.
3. **VALUE BASED SERVICES**
Value Based Services include services such as USPS® e-Return Receipt and USPS® Confirmation Services.
- 3.1 **Fees**
- (a) Any fees charged by the USPS for any Value Based Service you purchase is payable by you in the same way that you pay for postage.
- (b) The USPS is solely responsible for its services.
- (c) We are not responsible for any malfunctions of any part of the communication link connecting the IntelliLink® Control Center with the USPS data system.
- 3.2 THE VALUE BASED SERVICES PROVIDED BY THE USPS ARE PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE ARE NOT LIABLE FOR ANY DAMAGES YOU MAY INCUR BY REASON OF YOUR USE OF THE VALUE BASED SERVICES PROVIDED BY THE USPS, INCLUDING INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.
- 3.3 **Ending the Value Based Services**. We have the right to terminate the Value Based Services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty (30) days after you have been notified of it in writing.
4. **EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES**
- 4.1 Our Equipment may contain embedded software. You agree that: (i) PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) you are licensed only to use the embedded software with our Equipment in which the embedded software resides; (iii) you will not copy, modify, decompile, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; (iv) you will not distribute or otherwise disclose the embedded software (or any portion thereof) to any other person; and (v) you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software, which, notwithstanding the above, is subject to any terms that may accompany such third-party software.
- 4.2 **Subscription Services**. We may offer certain on-demand services to you on a subscription basis as indicated in the applicable Order. Upon payment of any applicable subscription fees, we grant you a non-exclusive, non-transferable license to access and use the subscription services for the term set forth in the Order for your internal business purposes only. You may not provide access to the subscription services to any third party, or use the subscription services on behalf of any third party absent our written consent. You will comply with all applicable laws, rules and regulations governing your use of the subscription services, including any data protection or privacy laws. You will not use the services to send or store infringing, obscene, threatening or unlawful material or disrupt the use by others of the subscription services, network service or network equipment, and you will not reverse engineer, decompile or disassemble the subscription services. If the subscription services you purchased come with their own terms of use, your use of those subscription services will be governed by those terms. Maintenance and technical support for any on-demand services will be provided in accordance with a separate agreement covering the same.
5. **INTERNET ACCESS POINT**
- 5.1 The Connect+™ and SendPro P or C series mailing systems may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+™ and SendPro P or C series mailing systems and the internet and for no other

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NASPO VALUEPOINT ADSP016-169897
POSTAGE METER RENTAL TERMS AND CONDITIONS

Page 3 of 3

purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

6. ENDING THIS AGREEMENT.

- 6.1 Your right to use the Meter, or Value Based Services is limited in duration to the Initial Term and to any subsequent extensions of the Initial Term.
- 6.2 After the Initial Term, you or we may cancel this Agreement, in whole or in part, upon 30 days prior written notice.

- 6.3 We reserve the right to recover or disable the Meter and terminate this use at any time if in violation of the terms of use under the Federal Regulations.
- 6.4 After cancellation or termination of this Agreement, you must return the Meter to us in the same condition as you received it, reasonable wear and tear excepted.

UNITED STATES POSTAL SERVICE ACKNOWLEDGMENT OF DEPOSIT

UI.1 In connection with your use of a Postage Evidencing System as defined in the Code of Federal Regulations ("CFR"), you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage, both PC Postage and meters (a "Deposit"), or you may transfer funds to the Bank for deposit into your Reserve Account.

UI.2 To the extent you deposit funds in advance of the use of any evidence of postage, you may make Deposits in the Lockbox Bank account identified as "United States Postal Service CMRS-PB" or make deposits in your Reserve Account, in either case through electronic means, including Automated Clearinghouse Transfers. The USPS may, at its discretion, designate itself or a successor as recipient of Deposits made by you to the Lockbox Bank account described above.

UI.3 Any deposit made by you in your Reserve Account is subject to the Postage By Phone® Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.

UI.4 Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment of evidence of postage. Such Deposits may be commingled with Deposits of other clients. You shall not receive or be entitled to any interest or other income earned on such Deposits.

UI.5 The USPS will provide a refund to you for the remaining account balances of Deposits held by the USPS. These refunds are provided in accordance with the rules and regulations governing deposit of funds for evidence of postage, published in the CFR.

UI.6 The Lockbox Bank, which shall collect funds on behalf of the USPS, shall provide PBI, on each business day, information as to the amount of each Deposit made to the USPS by you, so that PBI can update its records.

UI.7 PBI may deposit funds on your behalf. The USPS will make no advances of funds to you. Any relationship concerning advances of funds is between you and PBI, PBGFS and/or the Bank.

UI.8 You acknowledge that the terms of this Acknowledgement may be changed, modified, or revoked by the USPS, with appropriate notice.

UI.9 Postal Regulations governing the deposit of funds are published in the CFR or its successor. You acknowledge that you shall be subject to all applicable rules, regulations, and orders of the USPS, including future changes to such rules, regulations, and orders, and such additional terms and conditions as may be determined in accordance with applicable law. The USPS rules, regulations, and orders shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit.

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