

PARTICIPATING ADDENDUM AMENDMENT

Amendment #2	Participating Addendum #2018-010; Original CMS #109951	Amendment CMS # 148529
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1. PARTIES

This Amendment to the above-referenced Original Contract (hereinafter called the Participating Addendum) is entered into by and between **Pitney Bowes Inc.** (hereinafter called "Contractor"), and the **State of Colorado, acting by and through the Department of Personnel & Administration, State Purchasing & Contracts Office** (hereinafter called the "State"), and collectively referred to as the "Parties."

2. EFFECTIVE DATE AND ENFORCEABILITY

This Amendment shall not be effective or enforceable until it is approved and signed by the Colorado State Controller or designee (hereinafter called the "Effective Date"). The State shall not be liable to pay or reimburse Contractor for any performance hereunder including, but not limited to, costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3. FACTUAL RECITALS

- A. The Parties entered into a Participating Addendum effective June 8, 2018 for the provision of Mailroom Equipment, Supplies & Maintenance, as set forth in the Participating Addendum, contract number 2018-010.
- B. The Participating Addendum was amended on December 20, 2018 to add Attachment 7, Pitney Bowes SendPro Enterprise On-Demand Subscription Services Agreement Terms, by issuance of Amendment #1, CMS #121822.

4. CONSIDERATION

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Amendment.

5. LIMITS OF EFFECT

This Amendment is incorporated by reference into the Participating Addendum, and the Participating Addendum and all prior Amendments thereto, if any, remain in full force and effect except as specifically modified herein.

6. MODIFICATIONS

- A. The Contractor has modified Exhibit D to the Participating Addendum to comply with current GAAP standards. These modifications are referenced in Exhibit D-2.
- B. The Contractor has modified Exhibit E to the Participating Addendum to comply with current GAAP standards. These modifications are referenced in Exhibit E-2.
- C. The Contractor has modified Attachment I to the Participating Addendum to comply with current GAAP standards. These modifications are referenced in Attachment I-A.
- D. The Contractor no longer provides DMT equipment; therefore, Exhibit I, Exhibit J and Attachment 5 to the Participating Addendum have been removed, and all references to DMT equipment are now null and void.

7. START DATE

This Amendment shall take effect on the Effective Date.



8. ORDER OF PRECEDENCE

Except for the Special Provisions, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Price Agreement, the provisions of this Amendment shall in all respects supersede, govern, and control.

9. AVAILABLE FUNDS

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, or otherwise made available.

THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT

<p>CONTRACTOR Pitney Bowes Inc.</p> <p>By: Arthur E. Adams, Jr. Title: Director, Government Contract Compliance</p> <p> _____ Signature</p> <p>Date: <u>December 11, 2019</u></p>	<p>STATE OF COLORADO Jared S. Polis, GOVERNOR Department of Personnel and Administration Kara Veitch, Executive Director</p> <p>By:  _____ John Chapman, State Purchasing Manager</p> <p>Date: <u>Dec 11, 2019</u></p>
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ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Amendment is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By:  _____ Date: 12/17/19

PARTICIPATING ADDENDUM EXHIBIT D-2, PITNEY BOWES CANCELLABLE RENTAL AGREEMENT

Colorado NASPO ValuePoint Cancellable Rental Agreement

Master Agreement Number: ADSP016-169897
Colorado Participating Addendum Number: 2018-010

Your Business Information

Full Legal Name of Lessee / DBA Name of Lessee Tax ID # (FEIN/TIN)

Sold-To: Address

Sold-To: Contact Name

Sold-To: Contact Phone #

Sold-To: Account #

Bill-To: Address

Bill-To: Contact Name

Bill-To: Contact Phone #

Bill-To: Account #

Bill-To: Email

Ship-To: Address

Ship-To: Contact Name

Ship-To: Contact Phone #

Ship-To: Account #

PO #

Your Business Needs

Qty	Item	Business Solution Description

Your Payment Plan

Initial Term:	Initial Payment Amount:	
Number of Months	Monthly Amount	Billed Quarterly at*

*Does not include any applicable sales, use, or property taxes which will be billed separately.

() Tax Exempt Certificate Attached
 () Tax Exempt Certificate Not Required

(X) Purchase Power® transaction fees included
 () Purchase Power® transaction fees extra

Your Signature Below

By signing below, you agree to be bound by your State's/Entity's/Cooperative's contract, which is available at www.pb.com/states and is incorporated by reference. The terms and conditions of this contract will govern this transaction and be binding on us after we have completed our credit and documentation approval process and have signed below.

 Lessee Signature

 Print Name

 Title

 Date

 Email Address

 Pitney Bowes Signature

 Print Name

 Title

 Date

Sales Information

 Account Rep Name

 Email Address

OPTION B -- COLORADO NASPO VALUEPOINT CANCELLABLE RENTAL TERMS AND CONDITIONS:

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO16-169897 and will be the Lessor under this Cancellable Rental Terms and Conditions 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 ADSPO16-00006328- to Pitney Bowes Inc.

The Pricing Plan for the Colorado NASPO ValuePoint Cancellable Rental Terms and Conditions is as follows:

Monthly Rate Factors:

<u>Term:</u>	<u>Lease Rate:</u>
36	.0377
48	.0309
60	.0270

Total Value of the Order multiplied by the applicable Monthly Rate Factor = Monthly Equipment Payment, plus applicable monthly Equipment rental, Meter Services, 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 Equipment Rental, Meter Services 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 ADSPO16-169897, 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 rental 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, that accounts for and enables postage to be purchased and printed ("PSD") and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

Rental - the Order and this NASPO ValuePoint Cancellable 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 ADSPO16-169897, Mail Room Equipment, Supplies and Maintenance contract administered by the State of Arizona, as amended.

Meter Services means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations ("CFR"); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in the Equipment Rental and Meter Services Terms and Conditions; and the Softguard Program outlined in

the Equipment Rental and Meter Services Terms and Conditions.

"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 Equipment and Meter Services Agreement" – an agreement governing the Equipment rental and Meter Services 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," "Us" or "Contractor" – the Pitney Bowes company with whom you've entered into the Order.

"You," "Your," "Lessee," "Purchasing Entity" or "Customer" – the entity identified on the Order.

L.2 AGREEMENT

L2.1 You are renting the Equipment listed on the Order.

L2.2 **You may not cancel this Rental 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 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 rental, SLMA fees and other charges.

L3.3 Any Meter Services fees, SLA fees, and subscription fees (collectively "PBI Payments"), will be included with your Quarterly Payment and begin with the start of the Cancellable Rental Term (as defined below). After the Initial Term, your Quarterly Payment will increase if your PBI Payments increase, per the Master Agreement.

L4. EQUIPMENT OWNERSHIP

We own the Equipment. PBI owns any Meter. You will not have the right to become the owner of the Equipment at the end of this Agreement.

L5. CANCELLABLE RENTAL TERM

The Rental term is the number of months stated on the Order ("Rental Term"). The Rental Term will commence on the date the Equipment (i) is delivered if the equipment is not subject to acceptance criteria or (ii) the date on which the equipment is accepted by You in the case of equipment subject to Acceptance Criteria.

L6. END OF TERM OPTIONS

L6.1 During the 30 days before your Rental ends, you may, if not in default, select one of the following options:

- (a) enter into a new Cancellable Rental with us;
- (b) renew the Rental on a month to month basis; or,
- (c) return the Equipment and Meter in its original condition, reasonable wear and tear excepted. 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.

L7. WARRANTY AND LIMITATION OF LIABILITY

- L7.1 PBGFS AND THE BANK MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, 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 THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. 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. THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURRENCE, OR \$2,000,000.00 GENERAL AGGREGATE.

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, and acceptance by You, 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 Rental. 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 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 Participating Addendum, Exhibit A, Section 15.B, Colorado Special Provisions, Fund Availability.

L11. EARLY TERMINATION

- L11.1 You further warrant that you intend to enter into this Cancellable Rental for the entire Stated Term and you acknowledge that we have relied upon such represented intention when determining the applicable pricing plan.
- L11.2 Cancellable Rental – 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 Rental, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS RENTAL AGREEMENT 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 Rental 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, and your State's Participating Addendum and the Master Agreement ADSP016-169897, as amended, Your State's Participating Addendum shall prevail.
- L12.6 Any Meter used by you 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+ 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+ 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 EXHIBIT E-2, PITNEY BOWES STRAIGHT LEASE AGREEMENT

Master Agreement Number: ADSP016-169897
Colorado Participating Addendum Number: 2018-010

Colorado NASPO ValuePoint Straight Lease Agreement

Your Business Information

Full Legal Name of Lessee / DBA Name of Lessee

Tax ID # (FEIN/TIN)

Sold-To: Address

Sold-To: Contact Name

Sold-To: Contact Phone #

Sold-To: Account #

Bill-To: Address

Bill-To: Contact Name

Bill-To: Contact Phone #

Bill-To: Account #

Bill-To: Email

Ship-To: Address

Ship-To: Contact Name

Ship-To: Contact Phone #

Ship-To: Account #

PO #

Your Business Needs

Qty	Item	Business Solution Description

Your Payment Plan

Initial Term:		Initial Payment Amount:	
Number of Months	Monthly Amount	Billed Quarterly at*	

*Does not include any applicable sales, use, or property taxes which will be billed separately.

Tax Exempt Certificate Attached
 Tax Exempt Certificate Not Required

Purchase Power® transaction fees included
 Purchase Power® transaction fees extra

Your Signature Below

By signing below, you agree to be bound by your State's/Entity's/Cooperative's contract, which is available at www.pb.com/states and is incorporated by reference. The terms and conditions of this contract will govern this transaction and be binding on us after we have completed our credit and documentation approval process and have signed below.

 Lessee Signature

 Print Name

 Title

 Date

 Email Address

 Pitney Bowes Signature

 Print Name

 Title

 Date

Sales Information

 Account Rep Name

 Email Address

Colorado NASPO VALUEPOINT STRAIGHT LEASE TERMS AND CONDITIONS:

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO16-169897 and will be the Lessor under this Straight 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 ADSPO16-169897- to Pitney Bowes Inc.

The Pricing Plan for the Colorado NASPO ValuePoint Straight Lease Terms and Conditions is as follows:

Monthly Rate Factors:

<u>Term:</u>	<u>Lease Rate:</u>
36	.0342
49	.0277
60	.0237

Total Value of the Order multiplied by the applicable Monthly Rate Factor = Monthly Equipment Lease Payment, plus applicable monthly Equipment Rental and Meter Services 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 Equipment rental, Meter Services, 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 ADSPO16-169897, 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 leased 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 that accounts for and enables postage to be purchased and printed ("PSD") and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

Lease - the Order and this NASPO ValuePoint Straight 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 ADSPO16-169897 Mail Room Equipment, Supplies and Maintenance contract administered by the State of Arizona, as amended.

"Meter Services" means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations ("CFR"); USPS mandated processed associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in the Equipment Rental and Meter Services Terms and Conditions; and the Softguard Program outlined in the Equipment Rental and Meter Services Terms and Conditions.

"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 Equipment Rental and Meter Services Agreement" – an agreement governing the Equipment rental and Meter Services 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," "Us" or "Contractor" – the Pitney Bowes company with whom you've entered into the Order.

"You," "Your," "Lessee," "Purchasing Entity" 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 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 Services fees, SLA fees and subscription 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. 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 (i) is delivered if the equipment is not subject to acceptance criteria or (ii) the date on which the equipment is accepted by You in the case of equipment subject to Acceptance Criteria.

L6. END OF LEASE OPTIONS

L6.1 During the 30 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) renew the Lease on a month to month basis; or,

- (c) return the Equipment and Meter in its original condition, reasonable wear and tear excepted. 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.

the same standards as the equivalent new item.

- (g) The warranty does not cover Consumable Supplies.

L7. WARRANTY AND LIMITATION OF LIABILITY

- L7.1 PBGFS AND THE BANK MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, 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

- L7.3 THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. 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. THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURRENCE, OR \$2,000,000.00 GENERAL AGGREGATE.

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 receipt of delivery by PBI, and acceptance by You, 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 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 Participating Addendum, Exhibit A, Section 15.B, Colorado Special Provisions, Fund Availability.

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

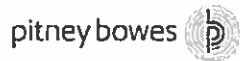
- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID.
- L12.3 We may sell, 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, and your State's Participating Addendum and the Master Agreement ADSP016-169897, Your State's Participating Addendum shall prevail.
- L12.6 Any Meter used by you 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 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 ATTACHMENT 1-A, PITNEY BOWES EQUIPMENT RENTAL AND METER SERVICES TERMS AND CONDITIONS



NASPO VALUEPOINT ADSPO16-169897 EQUIPMENT RENTAL AND METER SERVICES TERMS AND CONDITIONS

1. DEFINITIONS

As used in this Agreement, the following terms mean:

"Bank" - The Pitney Bowes Bank, Inc. **"Agreement"** - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSPO16-169897, these terms and conditions, and any attached exhibits.

"Equipment" means the equipment listed on the Order, excluding any Meter or standalone software.

"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 or C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed ("PSD") and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

"Master Agreement" - NASPO ValuePoint Master Agreement ADSPO16-169897 Mail Room Equipment, Services and Maintenance contract administered by the State of Arizona, as amended.

"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," "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 Equipment or purchasing Meter Services.

2. EQUIPMENT RENTAL AND METER SERVICES

2.1 Fees

- (a) We will invoice you the Equipment ("rental") and Meter Services fees listed on the Order.
- (b) After the Initial Term, we may increase the rental and/or Meter Services fees in accordance with the Master Agreement.
- (d) When you receive notice of an increase, you may terminate this your rental or Meter Services as of the date the increase becomes effective.
- (e) 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 currently due.
- (f) 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 Services 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 Services agreement may be revoked. You acknowledge that any use of a 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

- (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 or from your PC Postage account, 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. THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT 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. THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURRENCE, OR \$2,000,000.00 GENERAL AGGREGATE.

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, de-compile, 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 purpose.

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, 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 (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.

The Pitney Bowes Bank, Inc. PURCHASE POWER TERMS AND CONDITIONS

The following provisions apply to the optional Purchase Power Program (the "Program"). Additionally, you will receive from us a set of more specific provisions within thirty (30) days of the date of this Agreement.

P1.1 General. (a) In order to participate in the Program, you must provide the information described in Section P1.8. (b) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes.

P1.2 Account Charges. (a) Your Purchase Power account (the "Account") will be charged for the amount of postage, products, and services requested and the related fees, if applicable. (b) Unless prohibited by law, you agree to pay the fees and charges of which the Bank has given you notice, including those relating to: (i) transaction fees, if applicable; (ii) if transaction fees are inapplicable, overage fees; (iii) your failure to pay in a timely manner; (iv) your exceeding your credit line; and (v) fees attributable to the return of any checks.

P1.3 Billing, Payments, and Collection. (a) You will receive a billing statement for each billing cycle in which you have activity on the Account. The Bank may deliver any statement electronically to the email address that is then on file for you. (b) Payments are due by the due date shown on your billing statement. (c) You may pay the entire balance due or a portion of the balance, provided that you pay at least the minimum payment shown on the statement. In the event of a partial payment, you will be responsible for the unpaid balance.

P1.4 Deferred Payment Terms. (a) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account from time to time, for each day from the date the transaction is posted to the Account until the date the unpaid balance is paid in full, at a variable rate equal to the Annual Percentage Rate applicable to the Account from time to time. (b) (i) The Annual Percentage Rate applicable to the Account

will be: the greater of (a) 22% and (b) the sum of the highest "Prime Rate" published in the "Money Rates" section of *The Wall Street Journal* on the last business day of the month and the margin set forth below (the sum of the margin and the Prime Rate is herein called the "Floating Rate"). (ii) The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate, if applicable. (iii) Any change in the Annual Percentage Rate based on the calculation described in this section will become effective on the first day of your next billing cycle. (iv) The margin which will be added to the Prime Rate to determine the Floating Rate will be 14.75% (using the Prime Rate in effect as of March 31, 2017, the daily periodic rate would be .05137% and the corresponding annual percentage rate would be 18.75%) (v) The Account balance that is subject to a finance charge each day will include (a) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (b) unpaid interest, fees, and other charges on the Account. (vi) the Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vii) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (viii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

P1.5 Account Cancellation and Suspension. (a) The Bank may at any time close or suspend the Account, and may refuse to allow further charges to the Account. (b) Cancellation or suspension will not affect your obligation to pay any amounts you owe.

P1.6 Amendments; Electronic Delivery; Termination. (a) The Bank can amend any of the provisions and terms related to the Program at any time by written notice to you (including by electronic notice via the email address that is then on file for you). You are consenting to electronic delivery of any amendments to the Program terms. (b) Each time you use the Program, you are signifying your acceptance of the terms then in effect. (c) An amendment becomes effective on the date stated in the notice and will apply to any outstanding balance on the Account. (d) The Bank may terminate the Program at any time and will notify you in the event of any termination. (e) Any outstanding obligation will survive termination of the Program.

P1.7 Governing Law. The Program and any advances are governed by and construed in accordance with the laws of the State of Utah and applicable federal law.

P1.8 USA PATRIOT Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify and record information that identifies each

person who opens an account. Accordingly, in order to activate the Account, the Bank asks that you provide identifying information, including your address and taxpayer identification number. The Bank may also ask for additional identifying information, where appropriate, including asking that your representative who is opening the Account provide his/her name, address, date of birth, driver's license and/or other documents and information that will allow the Bank to identify him/her.