

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 1 of 28

1. Scope: This addendum covers the WSCA/NAPSO Mail Room Equipment, Services and Support contract lead by the State of Arizona for use by state agencies and other entities located in the Participating **State** authorized by that state's statutes to utilize **state** contracts.
2. Participation: Use of specific WSCA/NASPO cooperative contracts by agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use **state** contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
3. Participating State/Contractor Modifications or Additions to Master Price Agreement:

Modifications/Additions

- 3.1 Software license terms and conditions shall be mutually agreed upon in writing by the purchasing entity's authorized individual and Pitney Bowes Inc.
- 3.2 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.
- 3.3 **MANDATORY INSURANCE REQUIREMENTS (29 Del. C. §6929)**  
Certificate of Insurance for the following:
  - a. As part of the addendum requirements, the Contractor shall obtain at its own cost and expense and keep in force and effect during the term of this addendum, including all extensions, the minimum coverage limits specified below with a carrier authorized to conduct business in the State. Coverage may not be less than that required in the Master Price Agreement. All Contractors shall carry Commercial General Liability and all other coverages listed below.
    - 1) Commercial General Liability - \$1,000,000 per person/\$3,000,000 per occurrence.
    - 2) Product Liability - \$1,000,000 per person/\$3,000,000 per occurrence.

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NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
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ADSPO11- 00000411- 7  
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And

State of Delaware  
(hereinafter "Participating State")

Page 2 of 28

- b. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to others.
- c. With the exception of a (10) day notice of cancellation for non-payment of premium, any changes material to this contract in the insurance policies above shall require (Thirty (30) days written notice to the State.
- d. Before any work is done hereunder, the Certificate of Insurance, referencing the name and contract number stated herein, shall be filed with the State. The certificate holder is as follows:

**Contract Administrator, Government Support Services  
Master Price Agreement GSS12576-MAILMACHIN  
State of Delaware  
100 Enterprise Place, Suite 4  
Dover, DE 19904-8202**

**Note: The State of Delaware shall not be named as an additional insured.**

**3.4 STATE OF DELAWARE BUSINESS LICENSE:**

Prior to commence performance under this agreement, the Contractor shall either furnish Government Support Services with proof of State of Delaware Business Licensure or initiate the process of application, where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P. O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone: 302-577-8778.  
<http://revenue.delaware.gov/services/BusServices.shtml>

Information regarding the State of Delaware's decision to enter into this participating addendum will be given to the Division of Revenue. Failure to comply with the State of Delaware licensing requirements may subject your organization to applicable fines and/or interest penalties.

**3.5 INDEMNIFICATION:**

- a. **General Indemnification:** The Contractor agrees that it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from any and all

**PARTICIPATING ADDENDUM  
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MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
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(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 3 of 28

liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the Contractor's its agents and employees' performance, work or services in connection with this agreement.

- b. **Proprietary Rights Indemnification:** The Contractor warrants that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the State of Delaware, The State of Delaware shall promptly notify the Contractor in writing and Contractor shall defend such claim, suit or action at Contractor's expense, and Contractor shall indemnify the State of Delaware against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation, costs, lost employee time, and reasonable counsel fees) whether or not such claim, suit or action is successful. Each party to this contract will be responsible for its own negligence.
- c. If any equipment, software, services (including methods) products or other intellectual property used or furnished by the Contractor (collectively "Products") is or in Contractor's reasonable judgment is likely to be, held to constitute an infringing product, Contractor shall at its expense and option either:
- 1) Procure the right for the State of Delaware to continue using the Product(s);
  - 2) Replace the product with a non-infringing equivalent that satisfies all the requirements of the contract; or
  - 3) Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality of efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the State of Delaware agrees to and accepts in writing.
- 3.6 **NON-PERFORMANCE:**  
In the event the Contractor does not fulfill its obligations under the terms and conditions of this contract, in addition to proceeding with termination of the contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the Contractor. Under no circumstances shall monies be due the

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT**

Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 4 of 28

Contractor in the event open market products can be obtained below contract cost. Any monies charged to the Contractor may be deducted from an open invoice.

**3.7 OPPORTUNITY BUYS:**

The Director for the State of Delaware, Office of Management and Budget, Government Support Section can waive use of a central contract pursuant to 29 Del. C. §6911(e). A process has been developed to permit any vendor the opportunity to submit an Opportunity Buy offer to the State for goods and/or services for consideration despite the existence of a central contract. See [http://gss.omb.delaware.gov/contracting/documents/agencyboilers/opportunity\\_buy\\_flowchart.pdf](http://gss.omb.delaware.gov/contracting/documents/agencyboilers/opportunity_buy_flowchart.pdf). The Director will afford any vendor on an existing central contract an opportunity to match or to beat the Opportunity Buy offer made by a non-contracted vendor prior to a waiver being granted.

**3.8 REQUIRED REPORTS:**

One of the primary goals in administering this contract is to keep accurate records regarding its actual value/usage. This information is essential in order to update the contents of the contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around our ability to convey accurate and realistic information to all interested Vendors.

A Usage Report (Attachment A) shall be furnished on the 15<sup>th</sup> (or next business day after the 15<sup>th</sup> day) of each month by the Contractor Electronically in **Excel format** detailing the purchasing of all items on this contract. The reports shall be submitted electronically in **EXCEL** and sent as an attachment to [vendorusage@state.de.us](mailto:vendorusage@state.de.us). It shall contain the six-digit department and organization code. Any exception to this mandatory requirement may result in cancellation of the award. Failure to provide the report with the minimum required information may also negate any contract extension clauses. Additionally, Contractors who are determined to be in default of this mandatory report requirement may have such conduct considered against them, in assessment of responsibility, in the evaluation of future proposals.

In accordance with Executive Order 14 – Increasing Supplier Diversity Initiatives within State Government, the State of Delaware is committed to supporting its diverse business industry and population. The successful Vendor will be required to report on the participation by a minority and/or women owned business (MWBE) under this awarded

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 5 of 28

contract. The reported data elements shall include but not be limited to; name of state contract/project, the name of the MWBE, MWBE contact information (phone, email), type of product or service provided by MWBE and any MWBE certifications for the subcontractor (State MWBE certification, Minority Supplier Development Council, Women's Business Enterprise Council). The format used for this 2<sup>nd</sup> Tier report is found in Attachment B.

2nd tier reports (Attachment B) shall be submitted to the contracting Agency's Supplier Diversity Liaison found at [http://gss.omb.delaware.gov/omwbe/docs/sdc/mwbe\\_liaisons.xls](http://gss.omb.delaware.gov/omwbe/docs/sdc/mwbe_liaisons.xls) and the OMWBE at [vendorausage@state.de.us](mailto:vendorausage@state.de.us) on the 15<sup>th</sup> (or next business day) of the month following each quarterly period. For consistency quarters shall be considered to end the last day of March, June, September and December of each calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date.

**3.9 DELAWARE ECONOMIC IMPACT:**

Each awarded vendor shall provide an annual report of the economic impact of their operations in Delaware. This report shall be submitted before the end of the third month after the close of the vendor's fiscal year. The following basic information is required under this agreement:

- # of Delaware Locations
- # of Delaware Employees
- Taxes, licenses & Fees Paid to Delaware
  - This may be payroll, franchise, service taxes, etc.
- Major Delaware Investments/ Partnerships
  - Amount paid to Major partners or Suppliers in Delaware
  - Highlight of Delaware MWBE, Veteran, Small Business (SBA criteria) and Disabled Veteran partnerships/ supply chain
  - Rent to Delaware Locations or value of Delaware real property
  - Utility Expenses paid to Delaware utilities

The report shall be submitted to the State Point of Contact.

**3.10 ORDERING PROCEDURE:**

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")**

And

State of Delaware  
(hereinafter "Participating State")

Page 6 of 28

Contractor is required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Depending on the nature and scope of the event, each State agency or other governmental entity shall be responsible for contacting the awarded vendor directly for all required resources. All consumables delivered by the Contractor, received and paid by a State agency or other governmental entity, become the property of that State agency or entity. Orders may be accomplished by written purchase order, e-mail, P-Card, telephone, fax or computer on-line systems.

**3.11 BILLING:**

The Contractor is required to "Bill as Shipped" to the respective ordering agency(s). Ordering agencies shall provide contract number, ship to and bill to address, contact name and phone number. The Contractor shall not charge a late fee that exceeds more than one percent (1%) per month, not to exceed twelve percent (12%) per annum.

**3.12 METHOD OF PAYMENT:**

a. For each P.O. issued as part of this contract, the State will pay Contractor monthly, within thirty (30) days of receipt of the Contractor's billing, the amount which is legitimately earned by the Contractor.

Final settlement for total payment to the Contractor will be made within thirty (30) days from the date of final written State acceptance of the work and services as agreed to in the P.O.

b. No premium time for overtime will be paid without prior written State authorization.

c. The agencies or school districts using this award will authorize and process for payment each invoice within thirty (30) days after the date of receipt of a correct invoice. The State of Delaware intends to maximize the use of the P-Card for payment for goods and services provided under contract. Contractors shall not charge additional fees for acceptance of this payment method and shall incorporate any costs into their proposals. Additionally, there shall be no minimum or maximum limits on any P-Card transaction under the contract. While it is the State's intention to utilize the P-card payment method the State reserves, at its discretion, the right to pay by ACH/ ACI or check. Should the Contractor wish to provide a financial incentive to not process payment by P-Card, they are to prepare a proposal to clearly outline any incentives for alternative payment methods the Contractor is willing to accept.

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT**

Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 7 of 28

**3.13 FORMAL CONTRACT AND/OR PURCHASE ORDER:**

No employee of the Contractor(s) is to begin any work prior to receipt of a State of Delaware Purchase Order signed by authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office. A purchase order, email, fax or State of Delaware's credit card shall serve as the authorization to proceed with work in accordance with the bid specifications and the special instructions, once it is received by the Contractor(s).

**3.14 MINIMUM WAGE RATES:**

Work performed under this Participating Addendum may fall under the State of Delaware Minimum Wage Rates or the Delaware Prevailing Wage rates. Prior to issuing a purchase order, the ordering agencies must obtain from the Department of Labor a determination if prevailing wage applies to the project and, if appropriate, what the applicable prevailing wage rates would be for the work to be performed. No work shall proceed without a determination by the Department of Labor. Request for prevailing wage certification can be found at:  
<http://www.delawareworks.com/industrialaffairs/services/LaborLawEnforcementInfo.shtml#pw1>.

**3.15 PREVAILING WAGE:**

The prevailing wage law, 29 Del.C. §6960, is enforced by the Department of Labor and states that the specifications for every contract or aggregate of contracts relating to a public works project in excess of \$100,000 for new construction (including painting and decorating) or \$15,000 for alteration, repair, renovation, rehabilitation, demolition or reconstruction (including painting and decorating of building or works) to which this State or any subdivision thereof is a party and for which the State appropriated any part of the funds and which requires or involves the employment of mechanics and/or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics which shall be based upon the wages that will be determined by the Delaware Department of Labor, Division of Industrial Affairs, to be prevailing in the county in which the work is to be performed.

**3.16 TERMINATION OF INDIVIDUAL ORDERS OR PURCHASE ORDERS:**

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")**

And

State of Delaware  
(hereinafter "Participating State")

Page 8 of 28

As a central contract, this agreement shall include individual orders from state agencies and other entities authorized by law to procure from this contract. The individual orders may be terminated as follows:

- a. **Termination for Cause:** If, for any reasons, or through any cause, the Contractor fails to fulfill or cure in timely and proper manner his obligations, or if the Contractor violates any of the covenants, agreements, or stipulations of this contract, the Agency shall have the right to terminate the P.O. by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In that event, the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed which is usable to the Agency.
- b. **Termination for Non-appropriation:** In the event the General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated, upon written notice, as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds. This is not a termination for convenience and will not be converted to such.

**3.17 TERMINATION OF PARTICIPATING ADDENDUM:**

As a central contract, this Participating Addendum may be terminated as follows by:

- a. **Termination for Cause** - If, for any reasons, or through any cause, the Contractor fails to fulfill or cure in a timely and proper manner its obligations under this Contract, or if the Contractor violates any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least 30 days before the effective date of such termination. In that event, the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed which is usable to the State.
- b. **Termination for Convenience** - The State may terminate this Contract at any time by giving written notice of such termination and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination. In that event, the Contractor shall be entitled to receive compensation for any satisfactory work



**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT**

Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 9 of 28

completed which is usable to the State. In the event of such termination, any leases written underneath this Contract shall remain in full force and effect for the duration of such lease term, subject to termination provisions therein.

- c. **Termination for Non-Appropriations** In the event the General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated, upon written notice, as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds. This is not a termination for convenience and will not be converted to such.

**3.18 RIGHTS AND OBLIGATIONS:**

The rights and obligations of each party to this agreement shall not be effective, and no party shall be bound by the term of this agreement, unless and until a valid executed purchase order has been approved by the State of Delaware Secretary of Finance, and all reasonable procedures of the State of Delaware Department of Finance have been complied with. A separate purchase order shall be issued for every project or order.

**3.19 REMEDIES:**

Except as otherwise provided in this Participating Addendum, all claims, counterclaims, disputes, and other matters in question between the State of Delaware and the Contractor arising out of, or relating to, this addendum, or a breach of it may be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State of Delaware.

**3.20 ASSIGNMENT OF ANTITRUST CLAIMS:**

As consideration for the award and execution of this contract by the State, the Contractor hereby grants, conveys, sells, assigns, and transfers to the State of Delaware all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, relating to the particular goods or services purchased or acquired for the State pursuant to this contract.

**3.21 AUDIT ACCESS TO RECORDS:**

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT**

Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 10 of 28

The Contractor shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately reflect performance hereunder. The Contractor agrees to preserve and make available to the State, upon request, such records for a period of five (5) years from the date services were rendered by the Contractor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Contractor agrees to make such records available for inspection, audit, or reproduction to any official State representative in the performance of their duties under the Contract. Upon notice given to the Contractor, representatives of the State or other duly authorized State or Federal agency may inspect, monitor, and/or evaluate the cost and billing records or other material relative to this Contract. The cost of any Contract audit disallowances resulting from the examination of the Contractor's financial records will be borne by the Contractor. Reimbursement to the State for disallowances shall be drawn from the Contractor's own resources and not charged to Contract cost or cost pools indirectly charging Contract costs.

**3.22 SUBCONTRACTS:**

Subcontracting is permitted under this Participating Addendum. However, every subcontractor, authorized representative or reseller shall be identified and agreed to in writing by the State or as are specifically authorized in writing by the Agency during the performance of the contract. Any substitutions in or additions to such subcontractors, associates, or consultants will be subject to the prior written approval of the State.

The Contractor shall be responsible for compliance by the subcontractor or reseller with all terms, conditions and requirements of the Master Agreement and this Participating Addendum and with all local, State and Federal Laws. The Contractor shall be liable for any noncompliance by any subcontractor or reseller. Further, nothing contained herein or in any subcontractor agreement shall be construed as creating any contractual relationship between the subcontractor and the State.

**3.23 CONTRACTOR EMERGENCY RESPONSE POINT OF CONTACT:**

The Contractor shall provide the name(s), telephone, or cell phone number(s) of those individuals who can be contacted twenty four (24) hours a day, seven (7) days a week where there is a critical need for commodities or services when the Governor of the State of Delaware declares a state of emergency under the Delaware Emergency Operations

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")**

And

State of Delaware  
(hereinafter "Participating State")

Page 11 of 28

Plan dated November 2009 or in the event of a local emergency or disaster where a governmental entity other than a State Agency requires the services of the Contractor.

**3.24 CONFIDENTIALITY AND DATA INTEGRITY:**

The State of Delaware, Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State of Delaware. The control of the disclosure of those data shall be retained by the State of Delaware and the Department of Technology and Information.

The Contractor and the State of Delaware shall sign a mutually agreeable Non-Disclosure Agreement (NDA). The mutual NDA shall safeguard the confidentiality and integrity of each party's confidential information. If the Contractor utilizes service partners or service alliances in the performance of work, the Contractor may be required to secure an applicable signed confidentiality statement from such service providers prior to their beginning work.

**3.25 SECURITY:**

- a. Computer, network, and information security is of paramount concern for the State of Delaware and the Department of Technology and Information. The State of Delaware wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. The SANS Institute and the FBI have released a document describing the Top 20 Internet Security Threats. The document is available at [www.sans.org/top20.htm](http://www.sans.org/top20.htm) for your review. The Contractor is guaranteeing that any systems or software provided by the Contractor are free of the vulnerabilities listed in that document.
- b. The Contractor shall maintain network security policy compliance in accordance with Secure File Transport to secure data classified as confidential or higher per the Data Classified Policy when moving data.

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 12 of 28

- c. The Contractor shall be responsible for ensuring that all services, products and deliverables furnished to the State are coordinated with the Department of Technology and Information (DTI) and are consistent with practices utilized by, or policies and standards promulgated by DTI published at <http://dti.delaware.gov/information/standards-policies.shtml>, as of January 9, 2013. If any service, product or deliverable furnished does not conform to State policies, standards or general practices, the Contractor shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to State policies, standards or practices.
- d. Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, etc) shall be disposed of in a manner compliant to Delaware Department of Technology and Information policy DTI-005.01, [Disposal of Electronic Equipment and Storage Media Policy](#), dated 04/13/2011.

**3.26 CYBER SECURITY LIABILITY**

It shall be the duty of the Contractor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State of Delaware. Contractor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to Vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Contractor.

**3.27 TAX EXEMPTION:**

- a. The State and its agencies acquiring material covered by this proposal is exempt from all FEDERAL and STATE TAXES. Such taxes shall not be included in prices quoted. Notwithstanding the State and its agencies are exempt from all Federal and State Taxes, all invoices issued to eligible entities other than an agency of the State shall, where appropriate, include charges for any federal, state, and local taxes, duties and tariffs. The eligible entities agree to pay such taxes, duties, and tariffs, in full when due.

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT**

Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 13 of 28

- b. Any material which is to be incorporated in the work or any equipment required for the work contemplated in the proposal may be consigned to the Agency. If the shipping papers show clearly that any such material is so consigned, the shipment will be exempt from the tax on the transportation of property under provisions of Section 3475 (b) of the Internal Revenue Code, as amended by Public Law 180 (78th Congress). All transportation charges shall be paid by the Contractor.

**3.28 DOCUMENT EXECUTION:**

The awarded vendor(s) is required to complete the online W-9 Form by visiting the Division of Accounting's Website: <http://accounting.delaware.gov/w9.shtml>.

4. Lease Agreements: Equipment Lease and Rental Agreements are authorized in accordance with the terms of WSCA/NASPO Master Price Agreement number: ADSP011-00000411-7. Attachment B reflects the lease and/or rental options Participating State has agreed to use.

5. Primary Contacts: The primary contact individuals for this participating addendum are as follows (or their named successors):

Lead State

Name	Terri Johnson, Strategic Contracts Team Lead
Address	Arizona DOA-SPO 100 N. 15 <sup>th</sup> Ave Suite 201 Phoenix, AZ 85007-2629
Telephone	602-542-9125
Fax	602-542-5508
E-mail	<a href="mailto:terri.johnson@azdoa.gov">terri.johnson@azdoa.gov</a>

Contractor – Contract Terms and Conditions

Name	Arthur E. Adams, Jr., Director State and Local Contracts
Address	1 Elmcroft Rd Stamford, CT 06926-0700
Telephone	203-351-7866
Fax	203-460-3827
E-mail	<a href="mailto:art.adams@pb.com">art.adams@pb.com</a>

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")**

And

State of Delaware  
(hereinafter "Participating State")

Page 14 of 28

**Contractor – Local Strategic State Account Manager**

Name	Eric Schmude
Address	Pitney Bowes, Inc. 3289 Vero Rd Suite A Arbutus, MD 21227
Telephone	1-800-322-8000X 804-205-2419 (Cell)
Fax	203-460-9653
E-mail	<a href="mailto:eric.schmude@pb.com">eric.schmude@pb.com</a>

**Participating Entity**

Name	Michael Bacu
Address	Government Support Services 100 Enterprise Place Suite # 4 Dover, DE 19904-8202
Telephone	302-857-4522
Fax	302-739-3779
E-mail	<a href="mailto:michael.bacu@state.de.us">michael.bacu@state.de.us</a>

**6. Subcontractors:**

All Pitney Bowes dealers and resellers authorized in the State of Delaware, as shown on the dedicated Pitney Bowes website, are approved to provide sales and service support to participants in the NASPO Master Price Agreement. The Pitney Bowes dealer's participation will be in accordance with the terms and conditions set forth in the aforementioned Master Price Agreement.

**7. Purchase Order Instructions:**

All orders should contain the following (1) Mandatory Language "PO is subject to WSCA/NASPO Contract # ADSP011-00000411-7" (2) Your Name, Address, Contact, & Phone-Number.

Orders can be made out to either (a) Pitney Bowes, or (b) to an AUTHORIZED reseller depending upon the preference of the Participating State or other participating legal entity.

**8. Price Agreement Number:**

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
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**MASTER PRICE AGREEMENT**

Pitney Bowes Inc.  
ADSP011- 00000411- 7  
(hereinafter "Contractor")

And

State of Delaware  
(hereinafter "Participating State")

Page 15 of 28

All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: GSS12576-MAILMACHIN and the Lead State price agreement number: ADSP011-00000411-7.

9. Compliance with reporting requirements of the "American Recovery and Reinvestment Act of 2009"

("ARRA"): If or when contractor is notified by ordering entity that a specific purchase or purchases are being made with ARRA funds, contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol 74 #61, Pages 14824-14829 (or subsequent changes or modifications to these requirements as published by the Federal OMB). Ordering entity is responsible for informing contractor as soon as the ordering entity is aware that ARRA funds are being used for a purchase or purchases. Contractor will provide the required report to the ordering entity with the invoice presented to the ordering entity for payment. The contractor, as it relates to purchases under this contract, is not a subcontractor or subgrantee, but simply a provider of goods and related services.

10. Individual Customer:

Each State agency and political subdivision, as a Participating Entity, that purchases products/services 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 Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State 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 Participating Entity individually.

This Participating Addendum and the Master Price Agreement number ADSP011-00000411-7 (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 Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent

**PARTICIPATING ADDENDUM  
WESTERN STATES CONTRACTING ALLIANCE and  
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS  
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT  
Administered by the State of Arizona (hereinafter "Lead State")**

**MASTER PRICE AGREEMENT  
Pitney Bowes Inc.  
ADSP011-00000411-7  
(hereinafter "Contractor")**


**And**


**State of Delaware  
(hereinafter "Participating State")**

Page 16 of 28

or additional terms within the Participating State.

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

State of Delaware  
By:   
Name: William W. Pickrum  
Title: Deputy Director, Government  
Support Services  
Date: 1-14-13

Contractor: Pitney Bowes Inc.  
By:   
Name: Arthur E. Adams Jr.  
Title: Director, State and Local Contracts  
Date: January 17, 2013









## Attachment B

**SUMMARY OF LEASING/RENTAL PROGRAMS**

Pitney Bowes Global Financial Services LLC offers a variety of equipment leasing and rental programs to enable your agency to acquire the equipment it needs with the innovative financing solution that works best for you.

**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, you own the equipment (excluding meter). ***(Non-profits and non-State or Local agencies are excluded from this program)***. Sales Tax will be charged, if required under Your State Statute.

**STATE & LOCAL Rental - 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 Fair Market Rental 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 ADSPO11-00000411-7 to Pitney Bowes Inc.*** Sales Tax will be charged, if required under Your State Statute.

**STATE & LOCAL 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 Tax will be charged, if required under Your State Statute.

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

<b>LEASE RATES</b>			
<b>Term</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>
<b>36</b>	<b>.0323</b>	<b>.0377</b>	<b>.0342</b>
<b>48</b>	<b>.0252</b>	<b>.0309</b>	<b>.0277</b>
<b>60</b>	<b>.0210</b>	<b>.0270</b>	<b>.0237</b>

<b>MONTHLY LEASE PAYMENT BASED ON \$10,000 TRANSACTION</b>			
<b>Term</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>
<b>36</b>	<b>\$323.00</b>	<b>\$377.00</b>	<b>\$342.00</b>
<b>48</b>	<b>\$252.00</b>	<b>\$309.00</b>	<b>\$277.00</b>
<b>60</b>	<b>\$210.00</b>	<b>\$270.00</b>	<b>\$237.00</b>

## OPTION A -- WSCA/NASPO TERM RENTAL (INSTALLMENT PURCHASE) LEASE TERMS AND CONDITIONS:

## Attachment B

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSP011-00000411 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 an IntelliLink Control Center or Meter.

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

**Monthly Billing:**

Term:	Lease Rate:
36	.0323
48	.0252
60	.0210

**L1. DEFINITIONS**

L1.1 The following terms mean:

**"Agreement"** - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSP011-00000411-7, 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 IntelliLink® Control Center or Meter, or any standalone software.  
**"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 IntelliLink Control Center or Meter, and any standalone software.  
**"Initial Term"** - the lease period listed on the Order  
**"Install Date"** - the date the Equipment or other item is installed at your location.  
**"IntelliLink Control Center" or "Meter"** - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect™ 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 WSCA/NASPO 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"** - WSCA/NASPO Master Agreement ADSP011-00000411-7 Mail Room Equipment, Services and Support contract 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.  
**"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 an IntelliLink Control Center or 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  
**"WSCA/NASPO"** - Western States Contracting Alliance and the National Association of State Procurement Officials  
**"You," "Your," "Lessee," or "Customer"** - the entity identified on the Order.

**L2. AGREEMENT**

L2.1 You will make each Monthly Payment by the due date shown on our invoice.  
 L2.2 You may not cancel this Agreement for any reason except as 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 IntelliLink® Control Center, 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 and attorneys' fees.  
 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 month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.  
 L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired lease, and other costs.  
 L3.3 If you request, your IntelliLink® Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard® payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Term. Your Monthly Payment will increase if your PBI Payments increase.  
 L3.4 Your obligations, including your obligation to pay the Monthly 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 IntelliLink® Control Center or 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 10.

**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 10, or (iii) the expiration of the Term and your payment of all Monthly 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 10, 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 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, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.

**L8. EQUIPMENT OBLIGATIONS**

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

L8.2 Inspection. We may inspect the Equipment and any 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 You bear the entire risk of loss to the Equipment from the Delivery Date by PBI until the end of the Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").

L9.2 No Loss will relieve you of any of your obligations under this Agreement. You must immediately notify us in writing of the occurrence of any Loss.

L9.3 You will 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"). YOU MUST CALL US AT 1-800-243-9506 AND PROVIDE US WITH EVIDENCE OF INSURANCE.

**L10. NON-APPROPRIATION**

L10 See Master Agreement - Non Appropriations Clause.

**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 Monthly Payment you shall pay includes interest and that this Agreement is entered into based on the assumption that the interest portion of each Monthly 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 Monthly Payment shall be adjusted in an amount sufficient to maintain our original after tax yield utilizing our consolidated marginal tax rate, which adjusted Monthly Payments you agree to pay as provided in this Agreement, subject to Section L10. The

rate at which the interest portion of Monthly 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 customer is named in this Agreement, liability is joint and several.

L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS AGREEMENT WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD.

L12.3 We may sell, assign, or transfer all or any part of this Agreement or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.

L12.4 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO11-00000411, this Agreement shall prevail.

L12.5 This Agreement is being offered to any purchasing entity who is authorized to file a 8038-G and/or 8038-GC and such form must be included provided when placing an order.

L12.6 All applicable taxes required to be collected by us will be shown on the invoice.

L12.7 Any IntelliLink-Control Center or Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.

L12.8 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.

L12.9 The Connect+ Series Equipment 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+ Series Equipment 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.

## Attachment B

## OPTION B -- WSCA/NASPO FMV RENTAL TERMS AND CONDITIONS:

Pitney Bowes Global Financial Services LLC ("PBGFS") will serve as a sub-contractor under ADSP011-00000411 and will be the Lessor under this Fair Market Value Rental Terms and Condition Agreement. This Fair Market Rental 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 ADSP011-00000411-7 to Pitney Bowes Inc. 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 an IntelliLink Control Center or Meter.

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

**Monthly Billing:**

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

Total Value of the Order multiplied by the applicable Monthly Rate Factor = Monthly Equipment Rental 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.

For further clarification a 36 month rental based on a \$10,000 equipment order would equal a \$377.00 monthly equipment rental payment, plus applicable service maintenance for years 2 thru end of initial term, monthly meter rental and value based services fees would be added to the payment.

**L1. DEFINITIONS**

L1.1 The following terms mean:

**"Agreement"** - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSP011-00000411-7, 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 IntelliLink® Control Center or Meter, or any standalone software.  
**"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 IntelliLink Control Center or Meter, and any standalone software.  
**"Initial Term"** - the lease period listed on the Order  
**"Install Date"** - the date the Equipment or other item is installed at your location.  
**"IntelliLink Control Center" or "Meter"** - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ 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.  
**"Maintenance Service"** - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.  
**"Master Agreement"** - WSCA/NASPO Master Agreement ADSP011-00000411-7 Mail Room Equipment, Services and Support contract 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.  
**"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 an IntelliLink Control Center or Meter you enter into with us.

**"Rental"** - the Order and this WSCA/NASPO FMV Rental Terms and Conditions.

**"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.

**"WSCA/NASPO"** - Western States Contracting Alliance and the National Association of State Procurement Officials

**"You," "Your," "Lessee," or "Customer"** - the entity identified on the Order.

**L2. AGREEMENT**

- L2.1 You are leasing the Equipment listed on the Order. You will make each Monthly Payment by the due date shown on our invoice.  
 L2.2 You may not cancel this Rental for any reason except as expressly set forth in Sections L10 and L11 below.  
 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 IntelliLink® Control Center, 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 and attorneys' fees.  
 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 month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.  
 L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired Rental, and other costs.  
 L3.3 If you request, your IntelliLink® Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard® payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Rental Term. Your Monthly Payment will increase if your PBI Payments increase.

**L4. EQUIPMENT OWNERSHIP**

- L4.1 We own the Equipment. PBI owns any IntelliLink® Control Center or Meter. Except as stated in Section L6.1, you will not have the right to become the owner at the end of this Agreement.

**L5. RENTAL TERM**

- L5.1 The Rental term is the number of months stated on the Order ("Rental Term").
- L6. END OF RENTAL OPTIONS**
- L6.1 During the 90 days prior to the end of your Rental, you may, if not in default, select one of the following options:
- enter into a new Rental with us;
  - purchase the Equipment "as is, where is" for fair market value; or
  - return the Equipment, IntelliLink Control Center and/or Meter in its original condition, reasonable wear and tear excepted. If you return the Equipment, IntelliLink Control Center and/or Meter, at our option you will either (i) properly pack them and insure them for their full replacement value (unless you are enrolled in the ValueMAX® program) and deliver them aboard a common carrier, freight prepaid, to a destination within the United States that we specify, or (ii) properly pack and return them in the return box and with the shipping label provided by us and, in either case, pay us our then applicable processing fee.
- L6.2 If you do not select one of the options in Section L6.1, you shall be deemed to have agreed to enter into month to month extensions of the term of this Agreement. You may opt to cease the automatic extensions by providing us with written notice within 60 days (but no less than 30 days or such shorter period as may be contemplated by law) prior to the expiration of the then-current term of this Agreement. 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:
- 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").
  - PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.
  - Your remedy in the event of any warranty claim is as provided within the Master Agreement.
  - A "defect" does not include the failure of rates within a rate update to conform to published rates.
  - 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.
  - 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.
  - 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, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.
- L8. EQUIPMENT OBLIGATIONS**
- L8.1 Condition and Repairs. You will keep the Equipment free from liens and encumbrances and in good repair, condition, and working order.
- L8.2 Inspection. We may inspect the Equipment and any 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.
- 9. RISK OF LOSS AND VALUEMAX® PROGRAM**
- L9.1 Risk of Loss.
- You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the end of the Rental Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").
  - No Loss will relieve you of any of your obligations under this Rental. You must immediately notify us in writing of the occurrence of any Loss.
  - You will 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").
- L9.2 ValueMAX Program.**
- If you do not provide evidence of insurance and have not enrolled in our own 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.
  - We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).
  - 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.
  - 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.
  - If we are required to repair or replace the Equipment under the ValueMAX program and we fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Rental.
  - 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 Rental, this program or its associated fees, nor are they overseeing our financial condition.
- L10. NON-APPROPRIATION**
- L10.1 See Master Agreement – Non Appropriations
- L11. EARLY TERMINATION**
- L11.1 You further warrant that you intend to enter into this Rental for the entire Stated Term and you acknowledge that we have relied upon such represented intention when determining the applicable pricing plan.
- Cancelable Rentals – 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 WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD.
- 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, your State's Participating Addendum and the Master Agreement ADSPO11-00000411, this Agreement shall prevail.
- L12.6 Any IntelliLink Control Center or 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+ Series Equipment 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+ Series Equipment 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.



## Attachment B

## OPTION C -- WSCA/NASPO FAIR MARKET VALUE LEASE TERMS AND CONDITIONS:

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO11-00000411 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 an Intellilink Control Center or Meter.

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

**Monthly Billing:**

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

**L1. DEFINITIONS****L1.1** The following terms mean:

**"Agreement"** - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSPO11-00000411-7, 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 Intellilink<sup>®</sup> Control Center or Meter, or any standalone software.  
**"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 Intellilink Control Center or Meter, and any standalone software.  
**"Initial Term"** - the lease period listed on the Order  
**"Install Date"** - the date the Equipment or other item is installed at your location.  
**"Intellilink Control Center" or "Meter"** - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect<sup>™</sup> 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 WSCA/NASPO FMV Lease Terms and Conditions.  
**"Maintenance Service"** - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.  
**"Master Agreement"** - WSCA/NASPO Master Agreement ADSPO11-00000411-7 Mail Room Equipment, Services and Support contract 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.  
**"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 an Intellilink Control Center or 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.

**"WSCA/NASPO"** - Western States Contracting Alliance and the National Association of State Procurement Officials

**"You," "Your," "Lessee," or "Customer"** - the entity identified on the Order.

**L2. AGREEMENT**

- L2.1** You are leasing the Equipment listed on the Order. You will make each Monthly Payment by the due date shown on our invoice.  
**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 Intellilink<sup>®</sup> Control Center, 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 and attorneys' fees.  
**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 month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.  
**L3.2** Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired lease, and other costs.  
**L3.3** If you request, your Intellilink<sup>®</sup> Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard<sup>™</sup> payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Lease Term. Your Monthly Payment will increase if your PBI Payments increase.

**L4. EQUIPMENT OWNERSHIP**

- L4.1** We own the Equipment. PBI owns any Intellilink<sup>®</sup> Control Center or Meter. Except as stated in Section L3.1, you will not have the right to become the owner at the end of this Agreement.

**L5. LEASE TERM**

- L5.1** The Lease term is the number of months stated on the Order ("Lease Term").

**L6. END OF LEASE OPTIONS**

- L6.1** During the 90 days prior to the end of your Lease, 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, Intellilink Control Center and/or Meter in its original condition, reasonable wear and tear excepted. If you return the Equipment, Intellilink Control Center and/or Meter, at our option you will either (i) properly pack them and insure them for their full replacement value (unless you are enrolled in the ValueMAX<sup>®</sup> program) and deliver them aboard a common carrier, freight prepaid, to a destination within the United States that we specify, or (ii) properly pack and return them in the return box and with the shipping label provided by us and, in either case, pay us our then applicable processing fee.

L6.2 If you do not select one of the options in Section L6.1, you shall be deemed to have agreed to enter into successive month to month extensions of the term of this Agreement. You may opt to cease the automatic extensions by providing us with written notice within 60 days (but no less than 30 days or such shorter period as may be contemplated by law) prior to the expiration of the then-current term of this Agreement. 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, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.

**L8. EQUIPMENT OBLIGATIONS**

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

L8.2 Inspection. We may inspect the Equipment and any 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.

**9. RISK OF LOSS AND VALUEMAX<sup>®</sup> PROGRAM**

Because we own the equipment while you lease it from us, we need to make sure it is protected while it is in your possession. You can demonstrate to us that the equipment will be protected either by showing us that your insurance will cover the equipment or by enrolling in our fee-based ValueMAX program. The terms of that program are listed in Section L9.2.

**L9.1 Risk of Loss**

- (a) You bear the entire risk of loss to the Equipment from the Delivery Date by PBI until the end of the Lease Term (including any extensions), 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 the occurrence of any Loss.
- (c) You will 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").

**L9.2 ValueMAX Program**

- (a) If you do not provide evidence of insurance and have not enrolled in our own 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.

- (b) We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).
- (c) 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.
- (d) 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.
- (e) If we are required to repair or replace the Equipment under the ValueMAX program and we fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Lease.
- (f) 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 - Non Appropriations

**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.

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 ADSP011-00000411, this Agreement shall prevail.

L12.6 Any IntelliLink-Control Center or 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+ Series Equipment 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+ Series Equipment 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.