



**MAILROOM EQUIPMENT, SUPPLIES &  
MAINTENANCE**

Led by the State of Arizona

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Master Agreement #: ADSPO16-169897, as amended

Contractor: **PITNEY BOWES INC.**

Participating Entity: **COMMONWEALTH OF VIRGINIA**

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

- *All products, services, and accessories listed on the Contractor page of the NASPO ValuePoint website, excluding Purchase Power. The purchase of or payment for postage is not contemplated by this Participating Addendum.*

**Master Agreement Terms and Conditions:**

1. Scope: This addendum covers the NASPO ValuePoint Master Agreement for Mailroom Equipment, Supplies, and Maintenance, as amended, led by the State of Arizona for use by state agencies or other entities located in the Participating Entity, authorized by the Commonwealth's statutes to utilize state contracts with prior approval of the State's Chief Procurement Official. Purchase Power is not available under this Participating Addendum.
2. Participation: This NASPO ValuePoint Master Agreement may be used by Commonwealth agencies, institutions of higher education, political subdivisions and other entities authorized to use state contracts in the Commonwealth of Virginia, and 501(C)3 organizations and/or private schools and institutions, if authorized to use this Addendum, are eligible to use pricing under this contract with the vendor's commercial lease agreement. Any such entity that does use the Master Agreement, under this Participating Addendum, shall be known as a Purchasing Agency, regardless of the entity's actual designation.

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



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**3. Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

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

Contractor – Government Sales Channel Director –

<u>Name</u>	<u>Russell Rodd, Director, Government Sales</u>
<u>Address</u>	<u>3001 Summer Street, Stamford, CT 06926</u>
<u>Telephone</u>	<u>860-680-3586</u>
<u>Fax</u>	<u>N/A</u>
<u>E-mail</u>	<u><a href="mailto:Russell.Rodd@pb.com">Russell.Rodd@pb.com</a></u>

Lead State

<u>Name</u>	<u>Rocky Advani</u>
<u>Address</u>	<u>Arizona DOA-SPO, 100 N. 15<sup>th</sup> Ave, Suite 201, Phoenix, AZ 85007</u>
<u>Telephone</u>	<u>602-542-0100</u>
<u>Fax</u>	<u>602-542-5508</u>
<u>E-mail</u>	<u><a href="mailto:Rocky.advani@azdoa.gov">Rocky.advani@azdoa.gov</a></u>

Participating Entity- Department of General Services/ Division of Purchases and Supply

Name:	Sharita Bryant
Address:	1111 East Broad Street, Richmond, VA 23218-1199
Telephone:	804-786-3897
Fax:	804-786-5712
Email:	<a href="mailto:Sharita.Bryant@dgs.virginia.gov">Sharita.Bryant@dgs.virginia.gov</a>

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**4. MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT**

These modifications or additions apply only to actions and relationships within the Participating Entity. However, these modifications apply to all purchase orders made by Purchasing Agencies under this Participating Addendum.

Participating Entity must check one of the boxes below.

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

The following changes are modifying or supplementing the Master Agreement terms and conditions.

**4.1 VIRGINIA PUBLIC PROCUREMENT ACT**

The Virginia Public Procurement Act ("VPPA", §2.2-4300 et seq. of the Code of Virginia), including Article 6 (Ethics in Public Contracting), shall apply to any Addendum entered into between the Contractor and a Virginia public entity under the Master Agreement.

**4.1.2 VENDORS MANUAL**

This Addendum is subject to the provisions of the Commonwealth of Virginia Vendors Manual in effect as of August 1, 2018 ("Vendor's Manual") and any changes or revisions thereto, which are hereby incorporated into this Addendum in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [www.eva.virginia.gov](http://www.eva.virginia.gov) under "Vendors Manual" on the vendors tab.

**4.1.3 APPLICABLE LAWS AND COURTS**

This Addendum shall be governed by the laws of the Commonwealth of Virginia, without regard to its choice of law provisions, and any litigation with respect thereto shall be brought in the circuit courts of the Commonwealth. The agency and the Contractor are encouraged to resolve any issues in controversy arising from the order of the Agreement or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.

**4.1.4 ANTI-DISCRIMINATION**

The Contractor certifies that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act*



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(VPPA). If the Addendum is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Addendum on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every Addendum over \$10,000 the provisions in A. and B. below apply:

- A. During the performance of this Addendum, the Contractor agrees as follows:
1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
  2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
  3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
  4. The requirements of these provisions A. and B. are a material part of the Addendum. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this Addendum for breach, or at its option, the whole Addendum. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific Addendum is terminated.
  5. In accordance with Executive Order 61 (2017), a prohibition on discrimination by the Contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this Addendum.



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- B. The Contractor will include the provisions of A. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

**4.1.5 ETHICS IN PUBLIC CONTRACTING**

The Contractor certifies that they have not engaged in collusion or fraud in relation to any aspect of this Addendum, or its Master Agreement with the lead state or other entity that conducted the procurement upon which this Addendum is based, and that it has not offered or received any kickbacks or inducements from any other bidder, offeror, supplier, manufacturer or subcontractor in connection with this Addendum or procurement. The Contractor also certifies it has not conferred on any public employee having responsibility for this Addendum any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

**4.1.6 IMMIGRATION REFORM AND CONTROL ACT OF 1986**

By entering into a written Addendum with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the Addendum for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986

**4.1.7 DEBARMENT STATUS**

By participating in this Addendum, the Contractor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by the Master Agreement or Addendum. The Contractor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia. If a vendor is created or used for the purpose of circumventing a debarment decision against another vendor, the non-debarred vendor will be debarred for the same time period as the debarred vendor.

**4.1.8 ANTITRUST**

By entering into an Addendum, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Addendum.

**4.1.9 PAYMENT**

- A. To Prime Contractor:



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1. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
2. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
3. All goods or services provided under this Addendum, that are to be paid for with public funds, shall be billed by the Contractor at the Master Agreement price, regardless of which public entity is being billed.
4. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
5. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be resolved in accordance with *Code of Virginia*, § 2.2-4363 and -4364. Upon determining that invoiced charges are not reasonable, the Commonwealth shall notify the Contractor of defects or improprieties in invoices within fifteen (15) days as required in *Code of Virginia*, § 2.2-4351. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

B. To Subcontractors:

1. Within seven (7) days of the Contractor's receipt of payment from the Commonwealth, a Contractor under this Addendum is hereby obligated:
  - (a) To pay the subcontractor(s) for the proportionate share of the payment received for work performed by the subcontractor(s) under this Addendum; or
  - (b) To notify the Commonwealth and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

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2. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Addendum) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (b) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the Addendum. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

**4.1.10 PRECEDENCE OF TERMS**

The following Terms and Conditions shall apply in all instances: Applicable Laws and Courts, Anti-Discrimination, Immigration Reform and Control Act of 1986, Drug-Free Workplace, Authorization to Conduct Business in the Commonwealth, Availability of Funds, and the Vendors Manual (except to the extent a provision of this Participating Addendum specifically identifies a provision of the Vendors Manual).

**4.1.11 QUALIFICATIONS OF CONTRACTORS**

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Contractor to perform the services/furnish the goods and the Contractor shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect the Contractor's physical facilities to satisfy questions regarding the Contractor's capabilities. The Commonwealth further reserves the right take any actions in contract or in law, if the evidence submitted by, or investigations of, such Contractor fails to satisfy the Commonwealth that such Contractor is properly qualified to carry out the obligations of the Addendum and to provide the services and/or furnish the goods contemplated therein.

**4.1.12 TESTING AND INSPECTION**

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

**4.1.13 ASSIGNMENT OF ADDENDUM**

The Addendum shall not be assignable by the Contractor, the Commonwealth, or the Purchasing Entity in whole or in part without the written consent of the other party.



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**4.1.14 CHANGES TO THE PARTICIPATING ADDENDUM AND PURCHASE ORDERS**

- (A) The parties may agree to modify the terms set forth in this Addendum, by mutual agreement which must be in writing and signed by the representatives who signed this Participating Addendum, or their successors in office.
- (B) A Purchasing Agency may request changes to the delivery location on a purchase order at any time before performance by written notice to the Contractor.
- (C) Changes to the scope or pricing must go through the Lead State and be mutually agreed upon between the Lead State and the Contractor in a written amendment to the Master Agreement.

**4.1.15 TERMINATION FOR DEFAULT**

Notwithstanding anything to the contrary contained in Chapter 7, Sections 7.14, 7.15 and Appendix A of the Vendor's Manual, in case of failure to deliver goods or services in accordance with the Master Agreement or Addendum terms and conditions, and Contractor's failure to cure such breach with a thirty (30) day cure period or such other cure period as may be mutually agreed upon in writing, the Commonwealth, upon written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have with respect to Default.

**4.1.16 TERMINATION FOR CONVENIENCE**

Notwithstanding anything to the contrary contained in Chapter 7, Section 7.15, 7.18 and Appendix A of the Vendor's Manual, Commonwealth shall provide Contractor with thirty (30) days prior written notice of its intent to terminate this Participating Addendum for convenience. In addition, notwithstanding anything to the contrary contained in Chapter 7, Section 7.15, 7.18 and Appendix A of the Vendor's Manual, or contained in this Participating Addendum, neither Commonwealth nor any Purchasing Entity may cancel or terminate any outstanding Option A or Option C lease agreement for convenience.

**4.1.17 INSURANCE**

The Contractor certifies that it will have the following insurance coverage at the time the Addendum is executed. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Contractor further certifies that the Contractor and any subcontractors will maintain these insurance coverage during the entire term of the Addendum and that all insurance coverage will be provided by



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insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS:

- A. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the Addendum shall be in noncompliance with the Addendum.
- B. Employer's Liability - \$100,000.
- C. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
- D. Automobile Liability - \$1,000,000 combined single limit. Contractor must assure that the required coverage is maintained by the Contractor (or third-party owner of such motor vehicle).
- E. Cargo Insurance – A minimum of \$100,000 of coverage should be provided.

**4.1.18 DRUG-FREE WORKPLACE**

During the performance of this Addendum, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Addendum.

**4.1.19 NONDISCRIMINATION OF CONTRACTORS**

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A Contractor shall not be discriminated against in this Addendum because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Contractor employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific Addendum is not in its best interest. If the Addendum is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Addendum objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

**4.1.20 AVAILABILITY OF FUNDS**

Notwithstanding anything to the contrary in Appendix B, Section II Y of the Vendor's Manual, it is understood and agreed between the parties herein that the Commonwealth shall be bound hereunder only to the extent that the legislature has appropriated funds that are legally available or may hereafter become legally available for the current and subsequent fiscal years for the purpose of this Addendum.

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent that the legislature has appropriated funds that are legally available or may hereafter become legally available for the purpose of this agreement. In regard to Term Rentals (Installment Purchases) and Fair Market Value Leases, only an explicit decision by the General Assembly to require such Term Rental or Fair Market Value Lease be defunded or terminated will be understood to trigger this provision. Notwithstanding the foregoing, with respect to an Option A or Option C lease, in no event shall a Purchasing Agency be permitted to terminate a lease or rental prior to the end of its current fiscal year.

**4.1.21 PRICE CURRENCY**

All prices shall be in US dollars.

**4.1.22 AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH**

A Contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into an Addendum with a public body pursuant to the *Virginia Public Procurement Act* shall not

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allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the Addendum. A public body may void any Addendum with a business entity if the business entity fails to remain in compliance with the provisions of this section.

**4.1.23 SUBCONTRACTORS**

All Contractors, dealers, and resellers authorized in the Commonwealth of Virginia, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The Contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

**4.1.24 ORDERS**

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

**4.1.25 EXCLUSIVITY OF TERMS AND CONDITIONS**

No employee or agent of the Commonwealth or Authorized User shall be required to sign or execute any additional contract, license or other agreement containing contractual terms and conditions. Any documents signed by persons other than the Director, Division of Purchases & Supply or his/her authorized designee as identified herein shall have no validity or effect upon the Addendum.

**4.1.26 LOBBYING AND INTEGRITY**

The Contractor is cautioned that communications with individuals other than the DPS Contract Manager may result in incorrect and/or insufficient information being provided. In addition, the Contractor shall not, in connection with this or any other contract or agreement with the Commonwealth, directly or indirectly (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any Commonwealth of Virginia officer's or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give anyone any gratuity for the benefit of or at the direction or request of any state or public officer or employee.

Upon request of the Commonwealth, the Contractor shall complete such lobbying and integrity certification form provided by the Commonwealth.

**4.1.27 E-VERIFY PROGRAM**

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Pursuant to *Code of Virginia, §2.2-4308.2.*, any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with any agency of the Commonwealth to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract. Any such employer who fails to comply with these provisions shall be debarred from contracting with any agency of the Commonwealth for a period up to one year. Such debarment shall cease upon the employer's registration and participation in the E-Verify program. If requested, the employer shall present a copy of their Maintain Company page from E-Verify to prove that they are enrolled in E-Verify.

**4.1.28 DELIVERY TO CORRECTIONAL INSTITUTIONS**

The Contractor shall be responsible for adherence to the following guidelines as they pertain to delivering goods to correctional institutions, especially if the delivery location is within the secured perimeter.

- A. The Contractor shall be responsible for ensuring that all personnel connected with the work comply with the rules and regulations of each ordering agency, which may reach beyond the scope of this Addendum.
- B. The Contractor shall maintain proper security and control over all personnel, equipment, tools and materials at all times. The Contractor's equipment and personnel shall be subject to security checks and associated delays there from.
- C. There shall be no verbal discussion or physical contact between a Contractor's employees and inmates.
- D. Anyone bringing any inmate any item such as weapons, tools, food, drink, clothing, cigarette, matches, correspondence, printed or electronic media or assisting inmates to escape, is in violation of State Law and will result in prosecution.
- E. No weapon, alcohol, drugs or medication of any type is allowed on State property.
- F. Keys shall be removed from all vehicles and other mobile equipment at all times when not in operation. Vehicle doors and tool compartments shall be locked at all times when not in use. Ladders left on vehicles shall be chained and locked at all times.
- G. Any tools, especially any type of cutting tool, if left unattended will be confiscated.
- H. All security regulations shall be observed at all times. These will be made known to the Contractor and his representatives by the Institutional Security Chief or his designee, at the point of entrance to the Institution.
- I. All persons entering the prison complex are subject to being searched.
- J. Contractors and their representatives are limited to movement to and from and within the immediate area of their work.



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- K. An institutional employee may be designated as liaison person between the Contractor and Institution. Unless otherwise stated, this person will be the Department Superintendent for whom the Contractor is performing the service.
- L. Vehicles may not be permitted to leave the facility until after the daily or routine security check has been performed.
- M. All Contractor's employees shall have a valid identification with photograph at all times for identification that is acceptable to the Institution. A valid DMV driver's license is acceptable. No persons will be permitted to enter the Institution without valid identification.

The Agency reserves the right to refuse entrance to anyone who appears, in the Agency's sole judgment, to be under the influence of drugs or alcohol or otherwise is impaired.

**4.1.29 SURCHARGE ADJUSTMENT AND PAYMENT SCHEDULE:**

The contractor must pay the Department of General Services (DGS), a Surcharge Adjustment (SCA) fee under this contract. **DGS will not issue invoices or statements.** The contractor must remit the SCA fee by the last day of the month following the end of the calendar quarter. The SCA fee equals two percent (2%) of the quarterly reported net sales (sales, less returns, adjustments and credits). The SCA fee amount due must be paid by check with identification of "Contract Number," "Report Amounts," and "Report Period" on either the check stub or other remittance material. DGS may, at its discretion, agree to an electronic funds transfer, in lieu of a check, however in the absence of an express written agreement from DGS that validates the agreement, then the payment shall be made by check as described herein. The SCA shall be included as an adjustment to Contractor's Master Agreement pricing.

**Checks shall be payable to:** *Treasurer, Commonwealth of Virginia.*

**Checks shall be mailed to:**

*DGS/Division of Purchases and Supply*

*ATTN: SCA Coordinator*

*PO Box 1199*

*Richmond, VA 23218-1199*

If the full amount of the SCA fee is not paid within thirty (30) calendar days of due date, it shall constitute a debt that the Contractor is obligated contractually to pay to the Commonwealth of Virginia, and the Commonwealth may exercise all rights and remedies available under law.

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Failure to submit sales reports, falsification of sales reports, and or failure to pay the SCA fee in a timely manner may result in termination or cancellation of this contract.

**Schedules:**

<b>Report Period</b>	<b>Sales Months</b>	<b>Quarterly Report Due</b>
1st Quarter	Jan, Feb, Mar	April 30 <sup>th</sup>
2nd Quarter	Apr, May, June	July 30 <sup>th</sup>
3rd Quarter	July, Aug, Sept	October 30 <sup>th</sup>
4th Quarter	Oct, Nov, Dec	January 30 <sup>th</sup>

<b>SCA Fee Period</b>	<b>Sales Months</b>	<b>Quarterly Payment Due</b>
1st Quarter	Jan, Feb, Mar	April 30 <sup>th</sup>
2nd Quarter	Apr, May, June	July 31 <sup>st</sup>
3rd Quarter	July, Aug, Sept	October 31 <sup>st</sup>
4th Quarter	Oct, Nov, Dec	January 31 <sup>st</sup>

**4.1.30 ORDER OF PRECEDENCE, INCORPORATED DOCUMENTS, CONFLICT AND CONFORMITY**

A. Incorporated Documents

Each of the documents listed below is, by this reference, incorporated into this Addendum as though fully set forth herein.

1. The State of Arizona's Solicitation document #ADSP016-00006328 with all attachments and exhibits, and all amendments thereto
2. Contractor's response to the State of Arizona's Solicitation # ADSP016-00006328;
3. The State of Arizona's Master Agreement #ADSP016-169897, as amended
4. Each of the attachments to this Participating Addendum ("PA")
5. The terms and conditions contained on eVA Purchaser Order documents
6. Manufacturer's brochures

B. Order of Precedence

In the event of a conflict in such terms, or between the terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal statutes and regulations
2. Applicable Commonwealth statutes and regulations, except to the extent a provision in the Vendor's Manual has been modified in this Participating Addendum, in which the Participating Addendum shall take precedence
3. This mutually agreed Participating Addendum, together with its exhibits and attachments



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4. Written amendments to the Arizona's Master Agreement # ADSP016-169897
5. The State of Arizona's Master Agreement #ADSP016-169897
6. The State of Arizona's solicitation document, with all attachments, exhibits, and amendments thereto
7. The Contractor's response to the State of Arizona's solicitation document
8. Any other provision, term, or materials incorporated by reference

**4.1.31 TAXES**

Sales to the Commonwealth of Virginia are normally exempt from Virginia state sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

For Authorized Users that are not Commonwealth state agencies, it is the Contractor's sole responsibility for determining the sales tax exemption status for those Authorized Users.

**4.1.32 FINAL INSPECTION**

Following the performance of services or delivery of products, Contractor shall demonstrate to an Authorized User's representative that all services are satisfactory to the Authorized User's needs or that all Products, to include all integral and peripheral component parts, are fully operational and fully comply with all Original Equipment Manufacturer's (OEM) product specifications, operating standards, and performance requirements. Any deficiencies shall be promptly and permanently corrected by the Contractor at its sole expense prior to final acceptance by an Authorized User.

- 4.2** Software license terms and conditions shall be mutually agreed upon in writing by the purchasing entity's authorized individual and Pitney Bowes Inc. List of Software Licenses offered under this Addendum are attached hereto as Attachment D.

- 4.3** All purchasing entities requiring the use of a Postage Meter will comply with all United States Postal Service regulations and meter terms and conditions applicable to the rental and use of postage meters supplied under this participating addendum as provided by the Contractor and attached hereto as Attachment C.

**4.4 Lease Agreements:**

Equipment Lease and Rental Agreements are authorized in accordance with the terms of NASPO ValuePoint Master Price Agreement number ADSP016-169897. Attachment B reflects the lease and/or rental options Participating State/Entity has agreed to use. Notwithstanding anything to the contrary in Chapter 7, Section 7.14, 7.15, 7.18, Appendix A, or Appendix B Section II Y of the Vendors' Manual, any underlying leases to this agreement will remain in full force and effect

**MAILROOM EQUIPMENT, SUPPLIES &**

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throughout the stated lease term of such lease agreement, subject to termination provisions stipulated within such lease.

(a) Pitney Bowes Global Financial Services LLC "GFS" Term Rental (Installment Purchase) – Option A, State & Local Rental – Option B, and State & Local Fair Market Value Lease – Option C pursuant to Sections 3.15 and 3.16, respectively and its terms and conditions are offered for lease transaction for the SMB Product line specifically listed on Attachments C-1 and C-2..

(b) For the Pitney Bowes DMT product line and related services (as described in tabs on the Price Attachments C and C-1 to the Agreement ("Folders-Inserters Production, Inserters-Production, Pre-sorting Equipment Production and Software License and Subscriptions applicable to DMT Production Mail Equipment")) (the "DMT Product Line") leases may be available in an applicable State through three third party lending companies, including, PNC Equipment Finance, IBM Credit LLC and Municipal Asset Management, Inc. The terms and conditions of the (i) Municipal Master Lease Purchase Agreement or the Muni Short Form FMV lease [PNC], (ii) a Lease/Purchase Master Agreement for State and Local Government, [IBM] and (iii) a Tax Exempt Lease/Purchase Agreement and a Rental Agreement [MAM] lease (together the "DMT Leases"), as such may be available in this State, and have been included with this Participating Addenda. Pricing by third party leasing companies for DMT Leases to be provided.

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

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

**4.6 Subcontractors:**

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

**4.7 Purchase Order Instructions:**

All orders under this PA are to be made out to and processed by Pitney Bowes and should contain the following (1) Mandatory Language "PO is subject to NASPO ValuePoint Master Agreement number ADSPO16-169897" (2) Your Name, Address, Contact, & Phone-Number.



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

**4.8 Price Agreement Number:**

All purchase orders issued by Purchasing Entities within the jurisdiction of this Participating Addendum shall include the Participating State/Entity's contract number: **ADSP016-169897** and the Lead State price agreement number: ADSP016-169897.

**4.9 Individual Customer:**

Each State agency and political subdivision, as a Purchasing Entity, that purchases products/services under this Participating Addendum will be treated as if they were Individual Customers. Except to the extent modified by a Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Participating Addendum Master Agreement; and they will have the same rights and responsibilities for their purchases as the Participating Entity has in the Master Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor will apply the charges to each Purchasing Entity individually.

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

**5. REFURBISHED METER EQUIPMENT:**

Notwithstanding anything to the contrary in Chapter 7, Section 7.2 of the Vendor's Manual, Pitney Bowes may provide new or refurbished Postage Meters under this Participating Addendum however, by Postal Regulation, Pitney Bowes is responsible to insure the Postage Meters are in proper working order. Additionally, Pitney Bowes may offer Remanufactured or Refurbished Equipment in accordance with the Master Agreement, Scope of Work, Section 3.3.1.

**6. ENTIRE AGREEMENT**

This Participating Addendum and the Master Price Agreement number ADSP016-169897 (administered by the State of Arizona) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and



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conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State/Entity.

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

Participating Entity: <i>Dept of General Services Division of Purchases Commonwealth of Virginia supply</i>	Contractor: Pitney Bowes Inc.
Signature: <i>Shanta Bryant</i>	Signature: <b>Arthur E. Adams, Jr.</b> <small>Digitally signed by Arthur E. Adams, Jr. DN: cn=Arthur E. Adams, Jr., o=Pitney Bowes Inc., ou=Global Legal and Compliance, email=art.adams@pb.com, c=US Date: 2018.08.20 11:43:31 -04'00'</small>
Name: <i>Shanta Bryant</i>	Name: Arthur E. Adams, Jr.,
Title: <i>LEAD Statewide Contracting Officer</i>	Title: Director, Government Contract Compliance
Date: <i>8/24/18</i>	Date:

*[Additional signatures may be added if required by the Participating Entity]*

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

Cooperative Development Coordinator:	Ted Fosket
Telephone:	(907) 723-3360
Email:	tfosket@naspovaluepoint.org

***[Please email fully executed PDF copy of this document to***  
*[PA@naspovaluepoint.org](mailto:PA@naspovaluepoint.org)*  
***to support documentation of participation and posting in appropriate data bases.]***

**ATTACHMENT B****SUMMARY OF LEASING/RENTAL PROGRAMS UNDER ADSP016-169897, as amended**

Options A, B and C are offered for lease or rental transactions for the SMB Product line only, and do not cover the DMT Product line. The DMT Product line may be leased through three third party lending companies. The preferred lending company is PNC Equipment Finance. The two alternative lending companies are IBM Credit LLC and Municipal Asset Management, Inc. Separate lease terms apply which are available at the link below:

<https://procure.az.gov/bs0/external/purchaseorder/poSummary.sdo?docId=ADSP016169897&releaseNr=0&parentUrl=contract>

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

**TERM RENTAL (INSTALLMENT PURCHASE) - Option A**

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

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

**FAIR MARKET VALUE LEASE - Option C**

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

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



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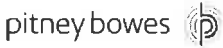
MONTHLY LEASE RATES			
TERM	OPTION A	OPTION B	OPTION C
36	0.0326	0.0377	0.0342
48	0.0257	0.0309	0.0277
60	0.0216	0.0270	0.0237

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

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



**MAILROOM EQUIPMENT, SUPPLIES &**  
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**OPTION A -- NASPO VALUEPOINT TERM RENTAL (INSTALLMENT PURCHASE) LEASE TERMS AND CONDITIONS:**

**Attachment B.1**

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

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO16-169897, as amended, and will be the Lessor under this Term Rental (Installment Purchase) Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own a Meter. This Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSPO16-00006328- to Pitney Bowes Inc.

**Monthly Rate Factors:**

<u>Term:</u>	<u>Lease Rate:</u>
36	.0326
48	.0257
60	.0216

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

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

**L1. DEFINITIONS**

L1.1 The following terms mean:

**"Agreement"** - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSPO16-169897, as amended, these terms and conditions, and any attached exhibits.

**"Bank"**- The Pitney Bowes Bank, Inc.

**"Consumable Supplies"** - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.

**"Covered Equipment"** - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, Usage-based Equipment, or any standalone software, and SendKit equipment.

**"Delivery Date"** - the date the Equipment or other item is delivered to your location.

**"Effective Date"** - the date the Order is received by us.

**"Equipment"** - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.

**"Initial Term"** - the lease period listed on the Order

**"Install Date"** - the date the Equipment or other item is installed at your location.

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

**"Lease"** - the Order and this NASPO ValuePoint Term Rental (Installment Purchase) Lease Terms and Conditions.

**"Maintenance Service"** - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.

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

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

**"Order"** - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.

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

**"PBI"** - Pitney Bowes Inc.

**"Pitney Bowes"** - PBI, PBGFS and their respective subsidiaries.

**"Postage Meter Rental Agreement"** - an agreement governing the use and rental of a Meter you enter into with us.

**"SLA"** - the Service Level Agreement.

**"SLMA"** - a Software License and Maintenance Agreement you enter into with us

**"SOW"** - a Statement of Work you enter into with us.

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

**"Usage-based Equipment"** - equipment for which charges are based on volume of use

**"USPS"** - the United States Postal Service.

**"We," "Our," or "Us"** - the Pitney Bowes company with whom you've entered into the Order.

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

## L2. AGREEMENT

- L2.1 You are leasing the Equipment listed on the Order.
- L2.2 **You may not cancel this Lease for any reason except as expressly set forth in Section L10 below, all payment obligations are unconditional.**
- L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.
- L2.4 You authorize us to file a Uniform Commercial Code financing statement naming you as debtor/lessee with respect to the Equipment.

## L3. PAYMENT TERMS

### NASPO ValuePoint Term Rental (Installment Purchase) LTOP Lease Agreement Rev. 11/16

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

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

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

L3.4 Your obligations, including your obligation to pay the Quarterly Payments due in any fiscal year during the term of this Agreement, shall constitute a current expense for such fiscal year and shall not constitute indebtedness within the meaning of the constitution and laws of the state in which you are located. Nothing herein shall constitute a pledge by you of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for your benefit for this Agreement) to the payment of any Total Payment due under this Agreement.

## L4. EQUIPMENT OWNERSHIP

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

## L5. TERM

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

## L6. SURRENDER OF EQUIPMENT

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

## L7. WARRANTY AND LIMITATION OF LIABILITY

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

L7.2 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

L7.3 PBI provides you with the warranty as provided in the Master Agreement and as follows:

(a) PBI warrants that the Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of one year (360) days from the date of acceptance (the "Warranty Period").

(b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.

(c) Your remedy in the event of any warranty claim is as provided within the Master Agreement.

(d) A "defect" does not include the failure of rates within a rate update to conform to published rates.

(e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI's recommendations, damage in transit, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.

(f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.

(g) The warranty does not cover Consumable Supplies.

## L8. EQUIPMENT OBLIGATIONS

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

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

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

## L9. RISK OF LOSS

L9.1 Risk of Loss.

(a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").

(b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.

(c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance")

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

## L10. NON-APPROPRIATION

### NASPO ValuePoint Term Rental (Installment Purchase) LTOP Lease Agreement Rev. 11/16

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

## L11. REPRESENTATIONS

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

## L12. MISCELLANEOUS

L12.1 If more than one lessee is named in this Lease, liability is joint and several.

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

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

L12.4 All applicable taxes required to be collected by us will be shown on the invoice.

L12.5 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI

L12.6 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy

the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.

L12.7 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the

Master Agreement ADSPO16-169897, as amended, this Agreement shall prevail.

L 12.8 The Connect+ and SendPro P and 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 and 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.



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

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

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

**Monthly Rate Factors:**

<u>Term:</u>	<u>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 meter rental and value based service fees, plus the monthly cost of service maintenance for years 2 thru end of initial term, plus any applicable taxes. multiplied by three (3) months = equals the Quarterly Payment.

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

**L1. DEFINITIONS**

L1.1 The following terms mean:

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

**"Bank"** - The Pitney Bowes Bank, Inc.

**"Consumable Supplies"** - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.

**"Covered Equipment"** - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, or any standalone software, and SendKit equipment.

**"Delivery Date"** - the date the Equipment or other item is delivered to your location.

**"Effective Date"** - the date the Order is received by us.

**"Equipment"** - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.

**"Initial Term"** - the lease period listed on the Order

**"Install Date"** - the date the Equipment or other item is installed at your location.

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

**"Lease"** - the Order and this NASPO ValuePoint Fair Market Value Rental Terms and Conditions.

**"Maintenance Service"** - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.

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

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

**"Order"** - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.

**"PBGFS"** - Pitney Bowes Global Financial Services LLC.

**"PBI"** - Pitney Bowes Inc.

**"Pitney Bowes"** - PBGFS and its subsidiaries, and PBI.

**"Postage Meter Rental Agreement"** - an agreement governing the use and rental of a Meter you enter into with us.

**"SLA"** - the Service Level Agreement.

**"SLMA"** - a Software License and Maintenance Agreement you enter into with us

**"SOW"** - a Statement of Work you enter into with us.

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

**"We," "Our," or "Us"** - the Pitney Bowes company with whom you've entered into the Order.

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

## L2. AGREEMENT

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

L2.2 You may not cancel this Lease for any reason except as expressly set forth in Sections L10 and L11 below, all payment obligations are unconditional.

L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.

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

## L3. PAYMENT TERMS AND OBLIGATIONS

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

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

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

## L4. EQUIPMENT OWNERSHIP

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

## L5. LEASE TERM

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

## L6. END OF LEASE OPTIONS

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

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

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

## L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.

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

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

## L8. EQUIPMENT OBLIGATIONS

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

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

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

## L9. RISK OF LOSS AND VALUEMAX® PROGRAM

### L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
- (c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance") or (ii) be enrolled in PBGFS' ValueMAX program described in Section 9.1(d).
- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE. If you do not provide evidence of Insurance and have not previously enrolled in our equipment replacement program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- (e) We will provide written notice reminding you of your Insurance obligations described above in Section L9.1(c).
- (f) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (g) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not

covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.

- (h) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

## L10. NON-APPROPRIATION

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

## L11. EARLY TERMINATION

L11.1 You further warrant that you intend to enter into this Lease for the entire Stated Term and you acknowledge that we have relied upon such represented intention when determining the applicable pricing plan.

Cancelable Lease -- Cancel with three month penalty on rental payment per the Master Agreement.

## L12. MISCELLANEOUS

L12.1 If more than one lessee is named in this Lease, liability is joint and several.

L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT

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

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

L12.4 All applicable taxes required to be collected by us will be shown on the invoice.

L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO16-169897, as amended, this Agreement shall prevail.

L12.6 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.

L12.7 Our Equipment may contain embedded software. You agree: (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 and C series mailing system may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ or SendPro™ P and 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.

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

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

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

Monthly Rate Factors:

<u>Term:</u>	<u>Lease Rate:</u>
36	.0342
48	.0277
60	.0237

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

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

## L1. DEFINITIONS

## L1. DEFINITIONS

L1.1 The following terms mean:

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

"Bank" - The Pitney Bowes Bank, Inc.

"Consumable Supplies" - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.

"Covered Equipment" - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, or any standalone software, and SendKit equipment.

"Delivery Date" - the date the Equipment or other item is delivered to your location.

"Effective Date" - the date the Order is received by us.

"Equipment" - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.

"Initial Term" - the lease period listed on the Order

"Install Date" - the date the Equipment or other item is installed at your location.

"Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™

or SendPro™ P or C series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.

"Lease" - the Order and this NASPO ValuePoint Fair Market Value Lease Terms and Conditions.

"Maintenance Service" - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.

"Master Agreement" - NASPO ValuePoint Master Agreement ADSP016-169897, as amended, Mail Room Equipment, Supplies and Maintenance 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.

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

"Order" - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.

"PBGFS" - Pitney Bowes Global Financial Services LLC.

"PBI" - Pitney Bowes Inc.

"Pitney Bowes" – PBGFS and its subsidiaries, and PBI.

"Postage Meter Rental Agreement" – an agreement governing the use and rental of a Meter you enter into with us.

"SLA" – the Service Level Agreement.

"SLMA" – a Software License and Maintenance Agreement you enter into with us

"SOW" – a Statement of Work you enter into with us.

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

"We," "Our," or "Us" – the Pitney Bowes company with whom you've entered into the Order.

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

## L2. AGREEMENT

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

L2.2 **You may not cancel this Lease for any reason except as expressly set forth in Sections L10 and L11 below, all payment obligations are unconditional.**

L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.

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

## L3. PAYMENT TERMS

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

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

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

## L4. EQUIPMENT OWNERSHIP

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

## L5. LEASE TERM

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

## L6. END OF LEASE OPTIONS

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

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

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

## L7. WARRANTY AND LIMITATION OF LIABILITY

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

FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT.

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

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

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

#### L8. EQUIPMENT OBLIGATIONS

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

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

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

#### L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
- (c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance") or (ii) be enrolled in PBGFS' ValueMAX program described in Section 9.1(d).
- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE. If you do not provide evidence of Insurance and have not previously enrolled in our equipment replacement program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- (e) We will provide written notice reminding you of your Insurance obligations described above in Section L9.1(c).
- (f) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (g) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (h) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

#### L10. NON-APPROPRIATION

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

#### **L11. EARLY TERMINATION**

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

#### **L12. MISCELLANEOUS**

L12.1 If more than one lessee is named in this Lease, liability is joint and several.

L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT

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

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

L12.4 All applicable taxes required to be collected by us will be shown on the invoice.

L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master

Agreement ADSP016-169897, as amended, this Agreement shall prevail.

L12.6 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.

L12.7 Our Equipment may contain embedded software. You agree: (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.

L 12.8 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.

L 12.9 We will provide you with a welcome letter by email.



# ATTACHMENT C- Postage Meter Rental Terms

## 1. DEFINITIONS

As used in this Agreement, the following terms mean:

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

**"Bank"** – The Pitney Bowes Bank, Inc.

**"Initial Term"** – the rental period listed on the Order.

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

**"Master Agreement"** – NASPO ValuePoint Master Agreement ADSP016-169897 Mail Room Equipment, Services and Maintenance 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.

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

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

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

**"PBI"**, **"We"**, **"Our"**, or **"Us"** – Pitney Bowes Inc.

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

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

**"USPS"** – the United States Postal Service.

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

## 2. METER RENTAL

### 2.1 Fees

- (a) We will invoice you the Meter rental ("rental") fees listed on the Order.
- (b) After the Initial Term, we may increase the rental fees in accordance with the Master Agreement.
- (d) When you receive notice of an increase, you may terminate this Agreement 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 due through the termination date of the Agreement.
- (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 rental fees.
- (c) If you purchase postage through a Lockbox Bank, the USPS is responsible for refunds of unused postage and those refunds will be made in accordance with then current USPS regulations.

### 2.3 Terms of Use; Federal Regulations

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

### 2.4 Care and Risk of Loss

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

### 2.5 Rate Updates and Soft-Guard® Program

- (a) Your Meter may require periodic rate information updates that you can obtain under our Soft-Guard® program.
- (b) The Soft-Guard® Subscription, we will provide up to 6 rate updates during each 12 month period following the date of installation..
- (c) We will provide rate updates only if required due to a postal or carrier change in rate, service, Zip Code or zone change.
- (d) Your Soft-Guard® Subscription does not cover any change in rates due to custom rate changes, new classes of carrier service, or a change in Zip Code or zone due to equipment relocation.
- (e) We will not be responsible for any losses arising out of or resulting from the failure of rating or software downloads to conform to published rates

### 2.6 Repair or Replacement

- (a) If the Meter malfunctions or fails due to reasons other than your negligence or accident, usage which exceeds our recommendations, use of Meter in a manner not authorized by this Agreement or any operator guide, use of equipment in an

environment with unsuitable humidity and/or line voltage, damage in transit, virus contamination or loss of data, loss or fluctuation of power, fire, flood or other natural causes, external forces beyond our control, sabotage or service by anyone other than us, failure to use applicable software updates, use of Meter with any system for which we have advised you we will no longer provide support or which we have advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to Meter (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images

(b) REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY.

### 2.7 LIMITATION OF LIABILITY

See – Master Agreement

### 2.8 Collection of Information

- (a) You authorize us to access and download information from your Meter and we may disclose this information to the USPS or other governmental entity.
- (b) We will not share with any third parties (except the USPS or other governmental entity) individually identifiable information that we obtain about you in this manner unless required to by law or court order.
- (c) We may elect to share aggregate data about our customers' postage usage with third parties.

## 3. VALUE BASED SERVICES

Value Based Services include services such as USPS® e-Return Receipt and USPS® Confirmation Services.

### 3.1 Fees

- (a) Any fees charged by the USPS for any Value Based Service you purchase is payable by you in the same way that you pay for postage.
- (b) The USPS is solely responsible for its services.
- (c) We are not responsible for any malfunctions of any part of the communication link connecting the IntelliLink® Control Center with the USPS data system.

3.2 THE VALUE BASED SERVICES PROVIDED BY THE USPS ARE PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE ARE NOT LIABLE FOR ANY DAMAGES YOU MAY INCUR BY REASON OF YOUR USE OF THE VALUE BASED SERVICES PROVIDED BY THE USPS, INCLUDING INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.

3.3 Ending the Value Based Services. We have the right to terminate the Value Based Services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty (30) days after you have been notified of it in writing.

## 4. EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES

4.1 Our Equipment may contain embedded software. You agree that: (i) PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) you are licensed only to use the embedded software with our Equipment in which the embedded software resides; (iii) you will not copy, modify, decompile, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; (iv) you will not distribute or otherwise disclose the embedded software (or any portion thereof) to any other person; and (v) you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software, which, notwithstanding the above, is subject to any terms that may accompany such third party software.

4.2 Subscription Services. We may offer certain on-demand services to you on a subscription basis as indicated in the applicable Order. Upon payment of any applicable subscription fees, we grant you a non-exclusive, non-transferable license to access and use the subscription services for the term set forth in the Order for your internal business purposes only. You may not provide access to the subscription services to any third party, or use the subscription services on behalf of any third party absent our written consent. You will comply with all applicable laws, rules and regulations governing your use of the subscription services, including any data protection or privacy laws. You will not use the services to send or store infringing, obscene, threatening or unlawful material or disrupt the use by others of the subscription services, network service or network equipment, and you will not reverse engineer, decompile or disassemble the subscription services. If the subscription services you purchased come with their own terms of use, your use of those subscription services will be governed by those terms. Maintenance and technical support for any on-demand services will be provided in accordance with a separate agreement covering the same.

## 5. INTERNET ACCESS POINT

5.1 The Connect+™ and SendPro P or C series mailing systems may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+™ and SendPro P or C series mailing systems and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

## 6. ENDING THIS AGREEMENT

- 6.1 Your right to use the Meter, or Value Based Services is limited in duration to the Initial Term and to any subsequent extensions of the Initial Term.
- 6.2 After the Initial Term, you or we may cancel this Agreement, in whole or in part, upon 30 days prior written notice.
- 6.3 We reserve the right to recover or disable the Meter and terminate this use at any time if in violation of the terms of use under the Federal Regulations.
- 6.4 After cancellation or termination of this Agreement, you must return the Meter to us in the same condition as you received it, reasonable wear and tear excepted.

## UNITED STATES POSTAL SERVICE ACKNOWLEDGMENT OF DEPOSIT

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

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

successor as recipient of Deposits made by you to the Lockbox Bank account described above.

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

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

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

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

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

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

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

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ATTACHMENT D  
SOFTWARE LICENSE AGREEMENTS

**SMB Terms**

Business Manager Software License Agreement OCT 2016

Distribution Solutions SLMA Nov 2015-Pathfinder-v092215

EULA ConnectRight Mailer

PlanetPress- End User License Agreement-click wrap

Planet Press Service Link

SendPro U.S. Terms of Use Subscription MAY 2016

SendPro U.S. Terms of Use with Equipment Lease MAY 2016

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Hosting Addendum for Distribution Solution Products May 2015

On-Demand Subscription Services Agreement, together with Exhibit A Pitney Bowes SendPro Enterprise Subscription Product Specific Terms

**PB Software Inc. Terms**

Master License Agreement 02-2015 NASPO

**PB DMT Terms**

Direct Connect Software License EXHIBIT NASPO 2016

Sorter (Imbedded) Software License Maintenance Agrmnt and DPV-LACS - NASPO 2016

DMT DirectView License Agreement July 2016 NASPO